Swine Packer Marketing Contract Summary – National Other Provisions

Business Practices - Animal Husbandry

* You are responsible for properly storing, handling, and disposing of manure and other waste from your facilities and for odors emanating from your facilities. You are exposed to liability for odors and for any contamination caused by improper storage, handling, or disposal of waste.

* Slaughter checks conducted by a qualified veterinarian will be required on an annual basis. At buyer's discretion, buyer may accept blood and tissue analysis in lieu of slaughter checks.

* Seller shall care for seller’s swine in accordance with accepted practices of good animal husbandry, management and sanitation.

* A. Every seller must establish and maintain an internal animal care & handling program. Such a program may include the following requirements. 1. Seller should provide an animal care abuse reporting source (including a phone number with voice mail or an email address) where employees can report animal abuse or improper care. This contact information should be posted in all swine production facilities and in all locations where legal notices are usually posted for employees. In addition, the seller should review and provide copies of this contact information to all employees on at least an annual basis. 2. Seller should educate and train its employees on all standard operating Procedures which cover all animal care and handling points from the PQA Plus and TQA programs. 3. Seller's employees should affirm that they have been educated, trained and understand the animal care and handling program. 4. Seller's employees should affirm that they will not abuse animals or witness abuse without reporting it immediately. Failure to report is grounds for termination. 5. Sellers should have a continuous training program in place. 6. Seller should conduct self-audits on a regular basis, and should consider having third party audits conducted annually. B. All sellers under written contract are legally obligated to abide by buyer' quality assurance programs, which includes an animal care & handling program. Buyer also requires that any sellers selling hogs under a verbal agreement, open market purchase, or negotiated purchase, also comply with buyer' quality assurance programs. The actions of a seller's employees are solely the responsibility of that seller. The seller's employees are expected to abide by the same rules and regulations that apply to the seller. If after appropriate investigation, it is determined that the seller's employees violated these rules and regulations, buyer expects that appropriate disciplinary action will take place. C. Buyer may review seller's animal care & handling program in the normal course of business. If seller does not have an appropriate or acceptable animal care & handling program in place, this will be considered a breach of any hog procurement agreement between buyer and seller. The hog procurement agreement may allow seller time to cure its breach by implementing an acceptable program. D. Every seller that purchases weaned pigs or feeder pigs is responsible for ensuring that the weaned pig and feeder pig suppliers also have an appropriate animal care & handling program.

* See schedule 251

* Comply with animal handling guidelines and policies in effect at time of delivery and utilize only haulers that are Trucker Quality Assurance certified by the National Pork Board

Swine Packer Marketing Contract Summary – National Other Provisions

* Seller will maintain compliance with all applicable state and federal laws and regulations. Seller shall comply with the animal handling practices, as may be amended or modified from time to time by the parties hereto, in accordance with industry standards. Seller agrees to implement and enforce a zero-tolerance policy for improper animal handling practices, which includes disciplinary action for violations of animal handling practices

* Seller shall, at its cost, maintain an ongoing consulting/service relationship with one or more licensed veterinarians, and shall provide buyer with the name(s) of such consulting vet(s) and proof of such ongoing relationship. Buyer shall be afforded the opportunity to independently consult with the Consulting Vet(s) identified by seller, from time to time, at its discretion. Seller shall at all times prior to processing administer appropriate and approved medications to the hogs when and as needed and shall follow all necessary withdrawal procedures.

* Keep the animal production barns, yards, roadways, and areas around the barns clean and tidy in appearance and to follow rodent and fly control programs to keep pests to a minimum.

* Seller has used all animal health products, including but not limited to, drugs and feed additives in accordance with the drug withdrawal standards set forth on specified exhibit. All herds that will supply hogs to buyer under this agreement have been supervised by a licensed veterinarian.

* Seller will, at all times during the term and any renewed or extended term hereof, (i) be supervised by a licensed veterinarian, (ii) properly use any applicable animal health products (including, without limitation, drugs and feed additives), and (iii) for any such animal health products administered to hogs, adhere to all legally required withdrawal procedures, Japanese MRL's and such other withdrawal procedures as communicated and mutually agreed upon by seller and buyer. Seller must be on the Pork Quality Assurance Program and must be at Level PQA Plus of the Pork Quality Assurance Program. If the National Pork seller Council, or its successors, creates a level higher than PQA Plus, seller will attain such higher level within a reasonable period of time.

* All waste and dead animals shall be disposed of promptly and in a manner consistent with accepted management practices and in compliance with all applicable state and federal laws and regulations. [Buyer shall have the option to replace seller's current dead hog disposal services, so long as buyer's price for such services are equal to or better than seller's current dead hog services.]

* Seller will maintain compliance with all applicable state and federal laws and regulations. Seller agrees to be a participant in the National Pork seller's Council Pork Quality Assurance (PQA) Plus Program and such other industry adopted food safety programs, as reasonably required by buyer from time to time. seller shall comply with the Animal Handling Practices of buyer, as set forth on specified exhibit attached hereto, as may be amended or modified from time to time by the parties hereto, in accordance with industry standards.

* You are required to dispose of all manure, wastewater, etc. generated by the hogs in compliance with all applicable laws, rules, and regulations during the term of this agreement. The cost of complying with these requirements may increase in the future, including by reason of changes in these requirements.

* Seller shall provide all of the resources to house, feed and care for the herd in accordance with accepted practices of good animal husbandry, and in accordance with the terms of this agreement. Seller shall provide and administer only medications, vaccines, feed additives and other animal health products approved by the USDA and in accordance with the manufacturer's label instructions and acceptable management and sanitary practices. Seller shall dispose of all waste and dead animals promptly and in a manner consistent with accepted management practices, and in compliance with all applicable state and federal laws and regulations. Seller agrees to be a participant in the National Pork Board's PQA Plus Program and such other industry adopted food safety programs, as reasonably required by buyer from time to time. seller shall comply with the Animal Handling Practices of buyer, as set forth in Exhibit C attached hereto, as may be amended or modified from time to time by the parties hereto, in accordance with industry standards. Seller shall provide buyer with written evidence of compliance with the foregoing upon request.

* Seller shall comply with the animal handling practices. Upon buyer's request, seller shall provide buyer with written evidence of compliance with the animal handling practices. Seller shall also participate in and comply with PQA Plus on-site assessment of animal well-being by no later than specified date.

* Use its best efforts to maintain its bio-security and animal health program as now in effect or as hereafter improved.

* In producing hogs, seller's health program will, at all times during the term, (i) be monitored by a licensed veterinarian, (ii) properly use any applicable health products, and (iii) adhere to the required withdrawal procedures of such health products. [All production decisions including but not limited to genetics, feed rations, health practices, contract seller selection and management, and production processes will be made solely by seller. hogs for delivery by seller under this agreement will, at all times during the term be on the Pork Quality Assurance Program and must be at Level III of the Pork Quality Assurance Program. If the National Pork Board, or its successors, creates a level higher than Level III, the seller production facilities will attain such higher level within a reasonable period of time. Seller agrees to comply with all legal requirements for the handling of livestock, and seller further agrees to meet the best management practices of the swine industry for the handling of hogs.]

* Seller will, at all times during the term and any renewed or extended term hereof, be supervised by a licensed veterinarian and will properly use any applicable drugs and adhere to the required withdrawal procedures. Seller must be on the Pork Quality Assurance Program and must be at Level III of the Pork Quality Assurance Program. If the National Pork seller Council, or its predecessors, creates a level higher than Level III, seller will attain such higher level within a reasonable period of time.

* Seller and buyer have entered into this agreement to meet recent consumer demand for pork products derived from hogs available for delivery to the plants that have been raised with certain special attributes such as, without limitation, having certain genetics providing desired meat quality characteristics and having been produced from sows utilizing open pen gestation. Based in-part on the long-term nature of this agreement and the speed at which consumer demand can change through the use of social media and other technologies, the parties acknowledge and agree that consumer demands could require market hogs with additional or different attributes during the term. It is the intent of the parties to produce pork products from hogs that meet such consumer demands. If a party reasonably believes additional or different attributes are required for the hogs to meet such consumer demands, the parties agree to meet and discuss in good faith the changes in consumer demand, potential changes in attributes for hogs, the cost to add or modify attributes, the market for the subsequent pork products, and other factors relevant to the discussion. If during the course of these good faith

discussions the parties agree to changes to this agreement, an appropriate amendment will be drafted and executed by the parties.

* Seller shall produce hogs in facilities owned or managed by seller in accordance with buyer's On-Farm Standards. Buyer reserves the right to revise and modify these standards at any time and from time to time and shall give seller 90 days to comply with any revised or new standards, except that if seller, after using commercially reasonable efforts to comply, cannot comply within such 90 days, seller shall have such additional time as may reasonably be necessary to comply so long as seller continues to use commercially reasonable efforts. Seller shall notify Farmland of any problems or conditions that may affect seller's ability to continue to comply with these Standards. With written notice Farmland may request the seller participates in programs with farm standards such as USDA Process Verified Program (PVP) or those specific to certain export markets.

* See Schedule 256

* Appropriate antiseptic/analgesic treatment shall be administered topically to pigs in connection with castration and tail docking to reduce any discomfort and to prevent infection.

* No manual blunt force trauma is allowed to euthanize pigs as the primary method of euthanasia.

* Use its best efforts to deliver only animals chat are healthy and fully mobile.

* Seller will operate the facilities and its entire productions system in compliance with the laws and regulations provided by the state and federal government. Seller will keep all records for environmental inspection, and any other inspection required by the state or federal government. seller employees will all be PQA Plus certified and will keep its certification updated. New employees will have a ninety (90) day period to complete PQA Plus certification. All truckers will be TQA certified. Seller will maintain its production system in its entirety and will operate using good husbandry practices. Seller will also follow all state regulations concerning the disposal of dead animals. Seller will maintain its production facilities and all equipment in good safe working order for the purposes to raise marketable animals for buyers. Seller will share annually the records of employees PQA plus, TQA, environmental, and any other state or federal inspected processes. buyer shall have the right to review or visit facilities and records to confirm compliance with the terms of this agreement. In the event of any non-compliance with the terms of this agreement, seller will send buyer a written notice describing the non-compliance. Upon reasonable notice and compliance with reasonable biosecurity requests of seller, buyer, and/or its representatives shall have the right to inspect the Facilities and records to confirm and verify that seller is fulfilling seller's responsibilities of meeting all applicable health and feeding programs or other production criteria and otherwise complying with all of the terms of this agreement. seller agrees to provide all supporting records and documentation upon request by buyer. Seller upon reasonable notice and compliance with bio security.

* Seller must follow humane handling procedures at all times during the production, transportation and delivery of the hogs.

* Use commercially reasonable best efforts to maintain high health standards via proper ventilation for the Hogs prior to delivery, good vermin control, thorough cleaning and disinfecting, limited access for visitors, and necessary and documented immunizations.

* Use its best efforts to deliver only animals that do not have signs of disease.

* Seller will at all times comply with industry accepted humane handling procedures.

* Buyer may immediately suspend deliveries of hogs from seller upon the receipt of notice that seller has violated animal welfare laws, rules and regulations and/or food safety laws, rules and regulations. Seller agrees to cooperate with buyer to provide information to allow buyer to determine if the allegations are substantiated.

* Seller shall continue its animal well-being initiatives. Seller and buyer shall cooperatively work together on issues related to animal well-being, both at seller's owned, leased and contracted operations, and with buyer's retail customers, as determined by the parties from time to time. Buyer may make reasonable requests from time to time that seller allow third party audits of seller's animal well-being programs by persons designated by buyer. Seller agrees to not unreasonably refuse such requests.

* All hogs sold to buyer hereunder are treated in accordance with the animal handling and animal welfare guidelines provided by the buyer Quality Meats Animal Handling Committee. These guidelines apply to all animals arriving at buyer.

* Seller agrees to implement and enforce a zero-tolerance policy for improper animal handling practices, which includes disciplinary action for violations of animal handling practices.

* Seller agrees to abide by buyer's animal handling committee guidelines.

* You are responsible for disposal of all dead hogs, manure, wastewater, etc.; you could be exposed to liability if you fail to properly dispose of them.

* You are required to provide labor, utilities, repairs, and maintenance costs for finishing the hogs at your facilities. Any or all of these costs may increase in the future.

Business Practices - Authority to Enter Agreement

* Each of the parties to this agreement represents that it has full authority to enter into this agreement. Except where otherwise provided by law, this agreement shall be kept confidential and shall be known only to the parties hereto.

* Seller/Buyer represents and warrants to buyer/seller that it is a corporation duly organized, validly existing and in good standing under the laws of the specified state, with full power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted. Seller has the power to enter into and perform this agreement, and the execution, delivery and performance hereof have been duly authorized and approved by the Board of Directors of seller. This agreement is a valid and binding obligation of seller and is enforceable in accordance with its terms.

* Each party represents and warrants to the other party that it has taken all necessary action to duly authorize the execution, delivery and performance of this agreement. The individual signing this agreement on each party's behalf certifies that he/she is duly authorized to execute this agreement on behalf of such party.

* This agreement has been duly and validly authorized by seller by all necessary action, has been duly executed and delivered by seller, and constitutes the valid and binding obligation of seller, enforceable in accordance with its terms.

* This agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary company/corporate action on the part of buyer and constitutes the legal, valid and binding obligation of buyer enforceable in accordance with its terms.

* This agreement shall be binding upon the parties, provided that this agreement shall not become effective unless buyer shall provide seller with written notice within fourteen (14) days of the date first written above, that the specified person has approved this agreement. If buyer does not provide such notice within fourteen (14) days of the date first written above, then this agreement shall be of no further force or effect on either party hereto.

* Buyer has the power to enter into and perform this agreement. Buyer has full power and authority to own, lease (if applicable), and operate its properties and assets and to carry on its business as presently conducted.

Business Practices – Cancellation

* You may cancel the agreement by mailing a written cancellation notice to us at the address set forth above by the later of (i) three business days following your receipt of the signed agreement or (ii) ten business days after the effective date of the signed agreement. The written notice of cancellation will be deemed mailed on the date of the postmark on the envelope.

* Seller may cancel this agreement by mailing a written cancellation notice to buyer at the address set forth below by the later of (i) three business days after seller's receipt of the signed agreement or (ii) specified business days after the effective date. The written notice of cancellation will be deemed mailed on the date of the postmark on the envelope. The written notice of cancellation should reference the agreement number and seller number referenced in this agreement. If seller cancels this agreement according to the terms of this section, seller understands and agrees that any prior agreement between the parties or commitment by seller will continue in full force and effect and seller's obligations under such prior commitments and agreements will remain fully enforceable.

* Seller may cancel the agreement by mailing a written cancellation notice to the buyer within three business days after the seller receives a copy of the signed agreement. To cancel this agreement, seller must fax a signed and dated copy of this disclosure statement, exercising the cancellation provision set forth immediately below, to: specified address

* Seller has the right to cancel (rescind) this agreement within three (3) business days after the date on which this agreement is signed. In order to cancel this agreement, seller must deliver a written cancellation or rescission notice to buyer. The date by which the written cancellation or rescission notice must be delivered is three (3) business days after the date seller receives a fully executed (signed) agreement via email, facsimile, or hardcopy.

* Seller may cancel the agreement by faxing, within three business days of seller's receipt of a copy of the signed agreement, a signed and dated copy of this disclosure statement, exercising the cancellation provision set

forth immediately below, to buyer.

* Seller shall have the right to terminate this agreement until 12:00 midnight on the third business day after the day on which seller signs this agreement by providing written notice of termination to buyer.
* Either party may terminate this agreement by delivering a written notice of termination to the other party within three days of the date of execution of the agreement (date first written above). If a written notice of termination is not delivered within the first three days of the execution of this agreement, the term of this agreement shall begin on specified date and shall end specified months after either party to this agreement has given the other party a written notice of termination, unless terminated earlier pursuant to the provisions of this agreement.

* Either party may terminate the agreement within the first three days after signing the agreement by providing a written notice of termination to the other party, as further described in specified section of the agreement.

* Seller shall have the right and option to cancel this agreement by sending a written notice of cancellation to buyer at the address and in the manner set forth in specified paragraph above, within three business days after execution of this agreement.

* You have the right to cancel this agreement by giving written notice to us within three (3) business days after this greener is executed or amended. In order to cancel this agreement, you must provide a written notice of cancellation to us no later than the third (3rd) business day after the date this agreement, or any amendment, is signed by you. The notice must be sent to us by certified mail, return receipt requested, at the address for buyer set forth below.

* Seller may cancel this agreement by delivering a written cancellation notice to buyer not later than three (3) business days after the date on which this agreement is executed, renewed, or extended. The cancellation notice must be in writing and may be served in person, delivered by commercial carrier, transmitted by facsimile or sent by prepaid registered mail to specified address.

* Seller has three (3) days from the signed contract date, to exercise their right for cancellation of the hog marketing agreement. Notification shall be certified mail addressed to specified address.

Business Practices - Capital Investment

* Nothing in this agreement requires seller to make any capital investment in buildings or equipment, including specifically any buildings or equipment that cost $100,000 or more and have a useful life of five or more years.
* Seller acknowledges that its hog production system was in existence at the time this agreement was executed, that seller's existing production system is able to produce the number of hogs required under this agreement, and that buyer has not required seller to make any investment in buildings, equipment or livestock under this agreement. If seller has made any such investments it has been at seller's choosing and is not a requirement of buyer's under this agreement.

* Notwithstanding seller's acknowledgement on the first page of this agreement that it may be required to make significant capital expenditures with respect to its facilities, buyer does not anticipate that seller will be required to make such capital expenditures.

* During the term of this agreement, seller may be required to make additional large capital investments in the production facilities.

* Additional large capital investments may be required of seller within the duration of this agreement. [The 2008 Farm Bill requires the above-mentioned disclosure be placed on the first page of this Amendment. Both parties agree that before seller is obligated to make additional large capital investments, those investments shall be mutually agreed between both parties in writing and recorded in the form of an amendment to the agreement.]

* Federal law requires disclosure that additional large capital investments may be required of you during the term of the agreement.

* Buyer will not require any additional capital investments by seller during the term of this agreement.

* Seller acknowledges it has entered into this agreement on its own accord and has adequate time to consult with its attorney, accountant and/or other advisors as seller has deemed necessary. Seller further acknowledges that buyer has not required seller to make any investment in buildings or equipment under this agreement. If seller has made any such investments it has been at seller's choosing and is not a requirement of buyer in order for buyer to enter this agreement.

* Federal law requires disclosure that additional large capital investments may be required of you during the term of the agreement.

Business Practices - Clear Title

* Buyer has full and complete authority to accept title to and possession of the hogs being sold to buyer hereunder.

* Seller hereby represents and warrants at the time of delivery of any hogs to buyer, seller shall deliver to buyer good and marketable title to all hogs and any non-qualifying hogs and any other hogs sold to buyer, free and clear of any liens or encumbrances.

* Seller shall have good and marketable title to the hogs sold and delivered under this agreement, and such hogs shall be delivered free and clear of any security interest or any other lien or other encumbrance of any nature whatsoever unless otherwise approved by buyer.

* Seller has full and complete authority to transfer title to and possession of the hogs being sold to buyer hereunder.

* Seller shall have good and marketable title to the hogs sold and delivered under this agreement, and such hogs shall be delivered free and clear of any security interest or any other lien or other encumbrance of any nature whatsoever; Seller has full and complete authority to transfer title to and possessions of the hogs being sold to buyer hereunder; All hogs sold to buyer hereunder have been farrowed to contracted or owned sows, unless otherwise fully disclosed to and accepted by buyer in writing, prior to delivery.

Swine Packer Marketing Contract Summary – National Other Provisions

* Seller has and will transfer to buyer, good and marketable title to the hogs free and clear of all liens, claims and encumbrances of any kind whatsoever.

* Seller represents to buyer that all hogs sold under this agreement are free and clear of all security interests and liens of any kind whatsoever, except primary lien holder or as specifically provided in a written notice received by buyer at least specified number of days prior to delivery of the hogs to buyer. If hogs sold under this agreement are subject to any security interest or lien, buyer may make payments jointly to seller and the secured party or lien holder.

* Seller represents to buyer that all hogs sold under this agreement are free and clear of all security interests and liens of any kind whatsoever, except as specifically provided in a written notice received by buyer at least thirty (30) days prior to delivery of the hogs to buyer, or except as otherwise agreed between the parties at the commencement of this agreement. If hogs sold under this agreement are subject to any security interest or lien, buyer may make payments jointly to seller and the secured party or lien holder.

* Seller warrants that seller has good and marketable title to all hogs delivered to the location and seller shall provide to buyer, prior to delivery of the hogs to buyer the names and addresses of any person, corporation, partnership, or other entity which has a lien interest In or on the hogs, or, in the alternative, a lien release executed by such lien holder.

* Seller warrants that the sellers delivering hogs under this agreement have good and marketable title to all hogs delivered to buyer plant. Seller will provide buyer with the names and addresses of any person, corporation, partnership or other entity that has a lien interest on any seller payments will be entitled to from the proceeds paid under this agreement. Further, seller represents and warrants to seller that any subsequent payment of proceeds for hogs paid by buyer to the seller delivering the hogs will include the names of any person, corporation, partnership, or other entity which has a lien interest in or on the hogs, or, in the alternative, will have received a lien release executed by such lienholder.

* All hogs sold or delivered to buyer under this agreement shall be delivered and conveyed to buyer free and clear of all taxes, security interests, liens, and encumbrances.

* Seller will have, and will transfer to buyer, good and marketable title to the hogs free and clear of all liens, claims and encumbrances but if there are liens and/or encumbrances will not violate this agreement, so long as seller notifies buyer of their existence and identifies the encumbrancer.

* Hogs must be free of all liens and encumbrances and in a good and merchantable condition for immediate slaughter, and processing for human consumption. Seller agrees to hold harmless and indemnify buyer from and against any suits, claims, costs, expenses or damages incurred by buyer as a result of violations of USDA regulations or from liens and encumbrances of seller.

* Seller will have, and will transfer to buyer, good and marketable title to the hogs, free and clear of all liens, claims and encumbrances whatsoever except as listed.

* Seller shall have legal title to all hogs sold or delivered to buyer under this agreement.

* Seller warrants the title and merchantability of all hogs sold hereunder. If any liens exist with respect to delivered hogs and the lienholder(s) have notified buyer in writing of their liens prior to payment, buyer shall issue checks for payment that are payable jointly to the seller and those parties whose liens and encumbrances have been notified to buyer.

* Seller warrants that he has good and merchantable title in the hogs sold hereunder. If any liens exist at any time of delivery, buyer shall pay the seller and all parties, in whose favor such liens and encumbrances are noted.

Business Practices – Confidentiality

* All information provided by seller to buyer on the production forms shall be considered seller's confidential and proprietary information that should be subject to the confidentiality obligation of specified paragraph.

* Except as may be required by law, the parties shall keep this agreement confidential and will not share information regarding the same except with those lenders, employees, agents and representatives who have reasonable need to know of or have access to this agreement or information related thereto.

* Unless otherwise prohibited by applicable state laws, each of the parties will maintain in confidence this agreement and the terms of this agreement and all written or other confidential information obtained in confidence from another party. As used herein, the term confidential information shall include all information furnished by the disclosing party to the recipient or the recipient's employees, agents or representatives including, without limitation, pricing, specifications, formulas, processes, designs, trade secrets, methods of operating, devices, equipment, financial information, forecasts, business plans, market analyses, contracts, customer lists, suppliers, and all other proprietary information. Confidential information shall not include information that (i) was in the public domain prior to receipt thereof by the recipient or its employees, agents or representatives; (ii) was supplied to the recipient or its employees, agents or representatives without restriction by a third party; or (iii) becomes publicly known after receipt thereof by the recipient through no fault of the recipient or its employees, agents or representatives. Notwithstanding the foregoing, facilitator may disclose the terms of this agreement with the sellers and prospective sellers. The provisions of this section shall survive the expiration or termination of this agreement. In no way limiting anything else in this agreement, the parties acknowledge and agree that a breach of the provisions of this section hereof will cause irreparable injury and damage for which the non-breaching party would have no adequate remedy at law, and the parties further agree that in the event of a breach of this section, the non-breaching party without having to prove damages, shall be entitled to seek a restraining order and injunction to prevent such violation or continued violation.

* The (i) location, owner and other particulars of each production facility, including the names and location of any contract growers and independent contractors, (ii) seller’s nutrition and feed recipes, (iii) the names and positions of seller's employees, if obtained by buyer in the course of performance of this agreement, is agreed by buyer to be the confidential, proprietary information of seller, which information (i) shall be held and treated as confidential and proprietary information of seller, (ii) shall not be disclosed to any person other than an employee of buyer, and (iii) shall not be used by buyer for any purpose other than to verify seller's compliance with this agreement.

* Seller, buyer and facilitator each agrees not to disclose the terms of this agreement to any person or entity without the consent of each party hereto, except for any disclosure required by applicable law or regulation.

* A. For the purposes of this agreement, confidential information shall mean certain commercially valuable, proprietary and confidential information and trade secrets related to the disclosing party's business and products, including without limitation, information and tangible and intangible property which may relate to discloser 's proprietary products or services, whether in distribution or under development, trade secrets, genetics program, hog genetics, flow charts, logic diagrams, methodologies, drawings, specifications, programs, models, financial information and projections, formulae, data, know-how, developments, designs, improvements, marketing plans and strategies, inventions, know-how, manufacturing information, costs, market information, testing and other valuable business information and products. b. The receiving party shall exercise the same reasonable degree of care concerning confidential information as it uses to safeguard and protect its own proprietary technical information, but no less than reasonable care that is provided by commercial enterprises for its most valuable trade secrets, so as to safeguard the discloser's confidential information from theft, loss and negligent disclosure to others, and shall limit access to discloser's confidential information to its officers, directors and employees who reasonably require such access in order to accomplish the aforesaid purpose. c. The foregoing obligations of confidentiality and limited use shall not apply to any part of confidential information received by the recipient which: (i) was already known to recipient before the disclosure thereof; (ii) is or becomes available to the public without breach of this agreement by recipient; (iii) shall become available to Recipient from a third party who has not received the same, directly or indirectly, from discloser under an obligation of confidentiality; (iv) is independently developed by recipient without the use of any confidential information of discloser; or (v) is required to be disclosed by recipient pursuant to a governmental and/or judicial order, provided that written notice of such order is promptly provided by recipient to discloser to enable discloser to seek a protective order from a court related to the disclosure and said confidential information. In the event that recipient provides confidential information under this paragraph, it shall furnish only that portion of the confidential information that it is legally required to do so. Specific confidential information disclosed by discloser to recipient shall not be deemed by recipient to be available to the public or in recipient's prior possession merely because it is embraced by more general information available to the public or by more general information in recipient's prior possession.

* By signing this agreement, the seller agrees not to disclose the terms and/or the conditions of this scheduling agreement with any other party unless under court order.

* Except as otherwise provided by law, this agreement shall be kept confidential and shall be known only to the parties hereto and the sellers.

* The parties hereto agree that all of the terms and provisions of this agreement are confidential and the parties hereto agree not to disclose any such terms or provisions to any person, firm or nonaffiliated corporation other than any professionals engaged by either party (including attorneys or accountants); provided, however, the parties are authorized to make disclosure of such portion of this agreement as may be required by any state or federal agency, regulatory authority, or as may otherwise be required by law or American Stock Exchange Rules. Provided, further, that the parties are authorized to make such disclosure as may be required by either party's lenders or prospective lenders. Provided, further, that seller is authorized to make such disclosure to any of seller's affiliates, as may be necessary to effectuate the terms of this agreement. The parties agree that any such disclosure may be made only after the party to whom such disclosure is made has been advised of this confidentiality provision and has agreed to abide thereby, except as required by law. Each party hereto shall retain as confidential and proprietary any and all information and data relating to the other party's business and operations acquired or learned during the term hereof. The parties hereto agree to use reasonable efforts to keep all such information and data strictly confidential and will not purposely divulge or permit their respective employees to purposely divulge any information or data so acquired to any third party. This provision shall not

apply to information which is now available to the public, or which hereafter comes into the public domain.

* By signing this agreement, all parties agree not to disclose the terms and/or the conditions of this agreement with any other party unless written consent is given by the other party.

* All information provided by either party to the other under this agreement, as well as the terms of this agreement and all information learned or acquired by either party concerning the other party under this agreement, before or during the term of this agreement, shall be deemed confidential information. Seller and buyer agree that they will not disclose, without the prior written consent of the other party, any of such confidential information to any third parties other than for purposes of furthering performance hereunder, and that they will use such confidential information only for the consummation of the transactions contemplated by this agreement. In the event of termination of this agreement, all confidential information shall, upon request, be returned to the owner thereof and the other party hereto shall keep confidential all confidential information otherwise furnished to it unless such information is otherwise ascertainable from public or published information or trade sources.

* The parties hereto agree that the existence and terms and conditions of this agreement are confidential and neither party shall disclose to any entity or person not a party to this agreement, the existence of the terms and conditions of this agreement, provided that nothing herein shall prohibit buyer from disclosing such Information to its parent company, subsidiaries, or other affiliated companies.

* Seller agrees to treat information about the purchase price of hogs found in this agreement as confidential and will only reveal such information (1) after receiving written permission from buyer, (2) as ordered by a court, or (3) at the request of a governmental agency.

* Seller and buyer each agree not to disclose the terms of this agreement to any person or entity without the consent of each party hereto, except for any disclosure required by applicable law or regulation.

* The parties acknowledge and agree that in connection with, or as a result of, this agreement, each party may be furnishing the other party with certain information which is either non-public, confidential or proprietary in nature. Each party's non-public, confidential or proprietary information will be kept confidential by the other party and shall not, without prior written consent, be disclosed by the other party to any other person or entity or be used by the other party for any purpose other than in connection with this agreement. For purposes of this section, the term non-public, confidential or proprietary information shall not include information which (a) is or becomes generally available to the public other than as a result of a breach of these conditions, (b) is or becomes known or available to the other party on a non-confidential basis and not in contravention of applicable law from any third party source, or (c) the other party is ordered or required to disclose by any applicable law or competent judicial, governmental or other authority. This section shall survive the expiration of the term or any renewed or extended term hereof or earlier termination of this agreement.

* Seller acknowledges and agrees that, in order to receive information about and participate in this agreement, seller will be required to sign a confidentiality agreement in the form set forth in specified exhibit.

* The parties acknowledge and agree that in connection with the negotiations of this agreement and during the performance of this agreement (including, without limitation, the twelve month period after the term), each party has or may be furnishing the other party with certain financial, production and other information which is either non-public, confidential or proprietary in nature. Each party's confidential information will be kept

confidential by the other party and shall not, without prior written consent, be disclosed by the other party to any other person or entity or be used by the other party for any purpose other than in connection with this agreement. Notwithstanding the above, nothing in this agreement shall be intended to prohibit a party from (i) reporting the volumes and the prices paid or received for hogs delivered under this agreement, (ii) providing a copy of this agreement to such party's attorneys, auditors, consultants, lenders; or to appropriate governmental agencies and third parties, or (iii) providing confidential information to such party's attorneys, auditors, consultants, lenders; or any appropriate governmental agency (as required by law) as long as the non-disclosing party receives advance notice of such disclosure and such third party is aware of the 'proprietary nature of the confidential information and appropriate steps are taken to protect such confidential information from inappropriate disclosure. Seller acknowledges buyer has certain obligations under the federal Mandatory Price Reporting Act (MPR"), which include the reporting of certain information to AMS and providing the format of this agreement to GIPSA. Buyer will have no obligation to notify seller under this section for the reporting requirements required under MPR. If any provision of this section is determined to be illegal, invalid or unenforceable, this provision shall be replaced by a mutually acceptable valid, legal and enforceable provision that is closest to the original intention of the parties. The parties agree that this provision will survive any termination of this agreement.

* Buyer, seller, or facilitator, nor their respective agents, professional advisors, employees, officers, directors, owners, shareholders shall not disclose the terms or conditions of this agreement to any other person or entity unless a written waiver permitting the release of information is signed in advance by each of the parties hereto. Should a breech in confidentiality occur, the claiming party may execute termination upon the other party with written notice.

* This agreement is an exclusive agreement by buyer and sellers and shall remain strictly confidential. This written agreement, and the terms and conditions thereof, shall not be disclosed to any other parties other than the owners and potential owners of the sow units. Buyer and sellers agree that they shall take any and all necessary actions to require that their officers, directors, employees, and other personnel keep this written agreement and the terms and conditions thereof confidential. Buyer hereby acknowledges that seller may present this information to professional advisors, bankers, and other owners who will be likewise bound to the terms of this confidentiality agreement. Seller hereby acknowledges that buyer may present this information to professional advisors, bankers, and other owners who will be likewise bound to the terms of this confidentiality agreement. Furthermore and likewise, any and all information exchanged between buyer and seller shall be considered strictly confidential unless written permission has been received permitting otherwise.

Business Practices - Financial Soundness

* Seller represents, warrants, and covenants that the payment terms of this agreement will provide sufficient funds to seller to maintain the financial viability of seller over the term of this agreement, and that seller is solvent, has sufficient resources for and is financially sound and capable of fully performing its obligations hereunder, including any obligations to buyer arising as a result of the default by seller.

* Buyer/Seller has sufficient assets, contractual rights, and financial resources to fulfill its obligations under this agreement.

* Seller has and will maintain the financial resources, facilities and personnel necessary to enable it to perform its duties and obligations under this agreement.

* Seller agrees that the payment program offered by buyer will provide sufficient funds to seller to maintain the financial viability of seller over the life of this agreement.

* All sellers are subject to third party audits a minimum of once a year conducted by the contracted auditor.

* Seller agrees to the following: (1) To demonstrate to buyer at all times the ability to produce hogs in the quantity and of the quality required during the term of this agreement; (2) To demonstrate seller's financial soundness to buyer at all times and provide evidence thereof to buyer upon request, including providing financial statements, production information, and written notice to buyer of any default by seller under any loan agreement with its lender(s), regardless of whether such default is declared by the lender(s).

* Buyer/Seller/Facilitator has and shall maintain the financial resources, facilities and personnel necessary to enable it to perform its duties and obligations under this agreement.

* The seller agrees to furnish the buyer necessary credit information and documentation upon request.

* Seller must at all times be able to demonstrate its financial soundness to buyer and to provide evidence thereof upon the request of buyer. Seller will not be required by buyer to demonstrate its financial soundness to the extent it has a reserve balance. Notwithstanding the foregoing, full financial review shall be required, including a demonstration of seller’s financial soundness, prior to seller accruing any deficiency amount whatsoever. Buyer agrees to keep confidential all financial information of seller that is provided to buyer in accordance with the confidentiality agreement then in effect by and between the parties or, if no such agreement is then in effect, subject to a confidentiality agreement containing industry standard reasonable terms and conditions agreed upon by the parties. Seller agrees to execute and deliver to buyer from time to time, as requested by buyer at its discretion, such security agreements, financing statements under the Uniform Commercial Code and other instruments as may be necessary or appropriate to grant buyer a security interest in tangible assets of seller. Such security interest shall be on written terms reasonably satisfactory to buyer. The difference between the fair market value of such tangible assets and the liabilities of the seller (net tangible assets) shall be sufficient to secure seller's obligations to repay the deficiency account under this agreement. Unless otherwise authorized by buyer the fair market value (as reasonably determined by buyer of the seller’s net tangible assets will be the maximum amount that can be accrued in the seller’s deficiency account other than interest amounts that may accrue on the deficiency account.

* Associated seller or seller, as applicable, must obtain prior financial approval from buyer if associated-seller or a seller intends to use forward pricing after exercising its right to change its base price option(s) to option(s) 1, 2 or 3. Likewise, associated-seller's or any seller's ability to exercise its right to change its base price option(s) may be limited if associated-seller or that seller has previously established a forward price for deliveries of hogs under option(s) 1, 2, or 3 that are already committed and scheduled for delivery after the effective date of the proposed base price option change.

* Seller acknowledges and agrees that its ability to forward price hogs is contingent upon buyer's approval of seller's finances. Seller may be requested to demonstrate financial soundness at any time during the course of the agreement. Buyer in its sole discretion, may refuse to forward price hogs with seller for any reason.

* Financing the operation of your facilities may exceed costs anticipated by you.

* Seller agrees to demonstrate such seller's financial soundness to buyer at all times and provide evidence thereof to buyer upon request, including providing financial statements, production information, and written notice to buyer of any default by such seller under any loan agreement with its lender(s), regardless of whether such default is declared by the lender(s).

* Sellers with forward prices previously established for hogs that will be delivered after the effective date of this agreement will sign buyer's pricing document to incorporate these forward prices into this agreement. This alone, however, does not satisfy the requirement for prior approval of seller's finances, and seller agrees that acceptance of new forward price requests will be contingent on receiving buyer' prior approval of the finances of seller.

* No insolvency proceedings of any character including, without limitation, bankruptcy, receivership, reorganization, or arrangement -with creditors, voluntary or involuntary, affecting buyer that are pending or threatened.

* Failure to make payments to repay a third party lender that has financed your hog finishing operation may cause your third party lender to foreclose on your facilities or take other collection actions.

Business Practices - Force Majeure

* If a Force Majeure event shall continue for a period longer than six months, the party not claiming Force Majeure may terminate this agreement by giving the other party written notice.

* Neither party shall have any liability pursuant to specified paragraph or otherwise for default or failure of its performance hereunder to the extent that such default or failure of performance results from a strike, lockout or other labor dispute. Neither party shall be liable for failure to perform or for delay in performing any act under this agreement if prevented by any cause beyond the reasonable control of such party, including, but not limited to, acts of God, wars, epidemics, storms, tornados, or explosions. A party claiming it is excused from performance under this paragraph must promptly provide the other party written notice of the circumstances giving rise to the excuse from performance and their estimated duration.

* Notwithstanding the above, if seller (i) experiences a disease problem with respect to hogs that is outside seller’s control and results in an inability of seller to deliver those hogs to buyer in accordance with the terms of this agreement (a disease event) and (ii) is also providing hogs to a processor other than buyer then the seller will be obligated to deliver the same percentage of seller’s hogs (taking into account all of seller’s facilities) to buyer as were delivered to buyer immediately prior to the disease event. (For example, if hogs delivered to buyer accounts for 50 of seller’s available hogs immediately prior to a disease event, seller will continue to deliver 50 of the available hogs not impacted by the disease event for the duration of the disease event.)

* Neither party shall be liable for failure to perform or delay in performing any act hereunder if such performance is rendered impossible by reason or matters beyond the reasonable control of the party, including but not limited to acts of God, governmental action, strikes, lockouts, picketing, wars, blockades, riots, fire, storms, floods, explosion or seller’s death or permanent disability (if an individual) (in any instance, a “Force Majeure Event”). A failure to settle or prevent any strike or controversy with employees or with anyone purporting or seeking to represent employees shall be considered a Force Majeure Event, provided such strike affects said party’s performance of the requirements of this agreement. Once performance becomes

commercially possible, the responsibilities and obligations of the parties shall resume again with full force and effect. Buyer agrees that in the event of a Force Majeure Event affecting a plant specified for delivery, buyer will use reasonable efforts to assist seller in rescheduling the hogs at other buyer plants. If a Force Majeure Event shall continue for a period longer than six months, the party not claiming such Force Majeure Event may terminate this agreement by giving the other party written notice.

* Unforeseen circumstances beyond your control will not amount to a breach of this agreement if you notify us as soon as possible. This agreement shall continue in force for a period of specified years from the date first written above. Expiring on specified date. By signing this agreement, the seller agrees not to disclose the terms and/or the conditions of this scheduling agreement with any other party.

* In the event of a natural disaster, work stoppage or labor dispute on behalf of either party, this agreement would be temporarily suspended until problem is resolved. Agreement would resume and continue after problem has been resolved.

* Unforeseen circumstances beyond your control will not amount to a breach of this agreement if you notify buyer as soon as possible. [Either party has the right to cancel this agreement by giving a six (6) months written notice.]

* If any party to this agreement is prevented from the performance by reason of fire, weather, strikes, lockouts, labor troubles, restrictive governmental laws or regulations, disease, Acts of God, then this agreement shall be suspended while the above cause prevents the non-performing party from performing. If the non-performing continues for more than 90 days, the other party in its sole discretion may terminate this agreement. In any case the time of non-performance shall be added to the length of the agreement.

* If the seller develops a serious production problem, the buyer will work with the seller to resolve this problem in a timely manner. During this time the buyer shall not hold the seller responsible to the full terms of this agreement. If a serious production problem was to occur the buyer will be notified immediately. The seller will do everything in its power to find suitable replacement hogs that meet the specifications and genetic criteria set forth from the buyer.

* In the event either party is rendered unable, wholly or in part, by force majeure to carry out its obligations under this agreement, then the obligations of such party, so far as they are affected by such force majeure, shall be suspended during the continuance of any such event of force majeure. However, the party claiming the existence of force majeure shall use all reasonable efforts to remedy any situation that may interfere with the performance of its obligations hereunder. The term force majeure as used herein, and as applied to either party hereto, shall mean acts of the law, including the order and/or judgment of any federal, state or local court, administrative agency or authority or governmental body, acts of God, strikes, lockouts, or other labor disturbances, epidemics, fires, floods, civil disturbances, breakage or accidents to machinery, or any other cause, whether of the kind herein enumerated, or otherwise, not reasonably within the control of the party claiming suspension.

* As set forth in below, seller shall be relieved of its obligation to deliver and sell hogs or excess hogs to buyer, in the quantity set forth above, for any reason that constitutes a Force Majeure Event. If any event occurs, which may possibly affect seller's obligation to deliver and sell hogs in the quantity set forth above and which is not a Force Majeure Event, then seller shall give buyer prompt written notice describing such event and seller's plan to remedy such event. In addition, any failure of Seller to deliver and sell hogs to buyer, in the calendar year

quantity set forth above, shall be a material default under this agreement.

* Health and/or production issues shall not be considered Force Majeure events. Communication of health and/or production breaks at earliest knowledge by seller is critical in order for Smithfield to evaluate the potential impact on its operations. Seller shall be obligated to minimize damages by sourcing additional weaner or feeder pigs in order to maintain the volume of committed pigs. After all options of procuring replacements have been exhausted then the seller may choose to: (i) pay the $5.00 per head deficiency fee pursuant to the specified provision on delivery failure, or (ii) at buyer's discretion, they may extend the agreement timeline end date to make up for the deficiency provided seller can demonstrate its ability to fulfill future delivery schedules.

* Both buyer and seller agree to notify the other immediately of any known production changes that will affect the shipment schedules.

* As set forth in specified section, seller shall not be relieved of its obligation to deliver and sell hogs to buyer, in the quantity set forth above, for any reason that does not constitute a Force Majeure Event. If any event occurs, which may possibly affect seller's obligation to deliver and sell Market Hogs in the quantity set forth above and which is not a Force Majeure Event, then seller shall give buyer prompt written notice describing such event and seller's plan to remedy such event. In addition, any failure of seller to deliver and sell hogs to buyer, in the fiscal year quantity set forth above, shall be a material default under this agreement.
* Seller shall, either wholly or partially, be relieved of its obligations hereunder during any period of time when performance becomes commercially impossible because of reasons beyond its control involving fire, explosion, strike, war, riot, final governmental regulations or intervention (specifically including any governmental intervention which mandates herd liquidation due to pseudorabies), and acts of God (each a Force Majeure Event). Similarly, buyer shall, either wholly or partially, be relieved of its obligations hereunder during any period of time when performance becomes commercially impossible because of a Force Majeure Event involving its specified facilities. Market conditions are specifically excluded from this provision. Also, hogs health (e.g., PRRS, pneumonia, pseudorabies where herd liquidation is not government mandated, etc.) or management problems that may impact the production of the hogs are specifically excluded from this provision. Once performance becomes commercially possible, the responsibilities and obligations of the parties shall resume again with full force and effect. Where either party claims an excuse for nonperformance under this section, it must give prompt telephonic notice, promptly confirmed by written notice, of the occurrence and estimated duration of the Force Majeure Event to the other party; and shall give prompt written notice when the Force Majeure Event has been remedied and performance can recommence hereunder.

* Except as otherwise provided herein, neither buyer nor seller shall be responsible or liable for any failure or lack of performance under this agreement if such performance is rendered impossible or commercially impracticable, directly or indirectly, by a Force Majeure Event. In the event of being rendered unable to perform, in whole or in part, due to a Force Majeure Event, the affected party shall give notice in writing of the full particulars of such event to the other party as soon as possible after the occurrence. The obligations of the affected party under this agreement shall be suspended during the continuance of any inability to perform caused by the Force Majeure Event until such time as the cause shall be remedied or otherwise removed.

* Force Majeure Event shall mean the occurrence of any event that makes the performance of a party’s responsibilities or obligations hereunder impossible or commercially impracticable directly or indirectly because of reasons beyond such party’s reasonable control including, but not limited to, such as an act of God, flood, fire, explosion, storm, accident, strike, lockout, work stoppage, slowdown, boycott, picketing or other industrial disturbance, war, or the imposition of any law, regulation, rule or action of any court or

instrumentality of the Federal or any state government, abnormally significant disease outbreaks, or any event which impairs or prohibits the production of hogs or production and/or marketing of pork and pork products, or any other cause beyond its reasonable control, whether or not the kind herein enumerated or otherwise, provided that the event could not have been reasonably avoided by the exercise of due diligence or reasonable care, prevention or remedial steps by the party. Force Majeure Event shall not include: (i) normal disease outbreaks; or (ii) any event attributable to willful default by the party asserting a Force Majeure Event (either buyer or seller); or (iii) market conditions; or (iv) market prices. In addition to the foregoing, Force Majeure Event shall also include any labor shortage of whatever cause (including without limitation any action or threatened action by any governmental authority or agency) unless and only unless such labor shortage is caused by the willful misconduct of the party asserting a Force Majeure Event.

* The seller shall notify the buyer immediately in the event of adverse developments such as disease or inability to feed hogs, and the buyer shall have the right to terminate the contract and the specified paragraph shall apply. Notifications should be sent to specified address.

* Force Majeure Event shall mean (i) an event the occurrence of which causes the performance by a party of an obligation under this agreement commercially impossible because of reasons beyond the control of such party, involving fire, explosion, strike, war, other hostilities, riot, final governmental regulations or intervention (specifically including any governmental intervention which mandates herd liquidation due to disease outbreak), and acts of God; or (ii) a disease outbreak with respect to seller's swine that is outside Seller's control, excluding any occurrence of Porcine Reproductive and Respiratory Syndrome (PRRS), Porcine Epidemic Diarrhea, Porcine Circovirus Associated Disease (PCVAD) and any other diseases that currently occur in swine herds in the United States, and results in an inability of seller to deliver the minimum quantity of hogs to buyer in accordance with the terms of this agreement.

* Either party to this agreement shall be relieved of its responsibilities and obligations hereunder when performance becomes commercially impossible because of reasons beyond the party’s reasonable control including, but not limited to, fire, explosion, strike, riot, accident, governmental regulations, catastrophic or unique disease challenges, intervention, or acts of God, and with respect to buyer, when performance is not commercially reasonable due to reduction of buyer's slaughter capacity. In the event industry-wide developments occur that are beyond the control of the parties, the parties agree to negotiate in good faith a mutually acceptable strategy to address such developments. Changes or fluctuations in the cost of materials or related operational costs shall not be deemed force majeure or an industry-wide development under this provision. Health and/or production issues shall not be considered Force Majeure events. Communication of health and/or production breaks at earliest knowledge by seller is critical in order for buyer to evaluate the potential impact on its operations. Seller shall be obligated to minimize damages by sourcing additional weaner or feeder pigs in order to maintain the volume of committed pigs. After all options of procuring replacements have been exhausted then the seller may choose to: (i) Pay the $5.00 per head deficiency fee pursuant to the provision on delivery failure, or (ii) At buyer’s discretion, they may extend the agreement timeline end date to make up for the deficiency provided seller can demonstrate its ability to fulfill future delivery schedules.

* Neither party shall be liable for failure to perform or delay in performing any act hereunder if such performance is rendered impossible by reason of matters beyond the reasonable control of the party, including but not limited to acts of God, strikes, lockouts, picketing, wars, blockades, riots, disease, epidemics, fire, storms, floods or explosion. These actions shall include but not be limited to (i) A failure to settle or prevent any strike or controversy with employees or with anyone purporting or seeking to represent employees shall be considered a matter beyond the reasonable control of the party affected under this subsection, provided such

strike affects such party's performance of the requirements of this agreement; or (ii) Any inability of seller to supply hogs due to an outbreak of disease; (iii) A market disruption due to a contagious disease such as Foot and Mouth; (iv) governmental action limiting or stopping production. Once performance becomes commercially possible, the responsibilities and obligations of the parties shall resume again with full force and effect. Where either party claims an excuse for non-performance under this specified section, it shall give prompt telephonic notice, promptly thereafter confirmed by written notice of the occurrence and estimated duration of the event giving rise to such excuse to the other party; and it shall give prompt written notice when such event has been remedied and performance can recommence hereunder.

* Neither party shall be liable for failures or delay in performance under this agreement due in whole or in part to causes, natural or man-made, beyond the party's control, including, but not limited to, such causes as disease outbreaks, fires, acts of god, declared or undeclared war, strikes or other labor difficulties, interruption of fuel, power, transportation, raw materials, or supplies, production breakdowns, or requirements or requests of any governmental authority.

* If either party to this agreement is rendered unable, wholly or in part from the performance by reason of fires, epidemics, civil disturbances, weather, strikes, lockouts, labor troubles, restrictive governmental laws or regulations, disease, Acts of God, or any other cause whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension, then this agreement shall be suspended while the above cause prevents the non-performing party from performing. If the non-performing continues for more than 180 days, the other party in its sole discretion may terminate this agreement. In any case the time of non-performance shall be added to the length of the agreement.

* Except as provided in specified section, in the event either party is prevented from performing its obligations under this agreement by circumstances beyond its reasonable control including, without limitation, fire, explosion, flood, acts of God, war and other hostilities, change of law or regulation, or like events (Force Majeure Event(s)), the obligations of such party under this agreement shall be suspended for the period of the Force Majeure Event. If the period of the Force Majeure Event is extended for more than thirty (30) days, either party may terminate this agreement without further obligation to the other except as already incurred. In the event that buyer determines, in its sole discretion and for any reason, that its operations at its hogs slaughter facilities shall be suspended, significantly curtailed or permanently discontinued as a result of a Force Majeure Event, then buyer shall have the option to terminate this agreement by giving seller sixty (60) days' notice thereof, without further obligation of the seller except as already incurred hereunder. Notwithstanding anything to the contrary in this section, health or other production issues shall not be considered a Force Majeure Event.

* Neither party to this agreement shall be liable to the other for any loss, cost, or damages arising out of or resulting from any default, failure or delay of performance under this agreement where such failure arises from a cause or causes beyond the reasonable control of such party, which causes shall include but shall not be limited to, acts of God; strikes, lockouts, or other industrial disturbances; wars, whether declared or undeclared; blockades; insurrections; riots; government action; human or hogs disease; epidemics; explosions; fires; floods; or any other cause not within the reasonable control of either party. Any breakdown caused by failure to maintain equipment is not force majeure. Inclement weather shall not be deemed force majeure unless seller and its trucking contractor that hauls to buyer mutually agree to suspend shipments as a result thereof.

* Seller and buyer shall immediately notify and consult with each other concerning any temporary inability to take or deliver hogs.

* Either party to this agreement shall be relieved of its responsibilities and obligations hereunder when performance becomes commercially impossible because of reasons beyond the party's reasonable control, including, but not limited to, fire, explosion, strike, riot, accident, governmental regulations, intervention, or acts of God, and with respect to buyer, when performance is not commercially reasonable due to reduction of buyer's slaughter capacity. In the event industry-wide developments occur that are beyond the control of the parties, the parties agree to negotiate in good faith a mutually acceptable strategy to address such developments. Changes or fluctuations in the cost of materials or related operational costs shall not be deemed force majeure or an industry-wide development under this provision.

* In the event seller is unable to deliver hogs to buyer as a result of any of the causes identified in specified paragraph Force Majeure of this agreement; the term of this agreement shall automatically be extended for a period of time equal to the period in which the delivery of hogs was not possible. This provision shall be further limited as set forth in specified paragraph for termination of this agreement attributable to an event of force majeure for periods longer than one (1) year.

* If buyer, seller or affiliated seller is unable to perform any of its obligations under this agreement, other than an obligation for the payment of money, by reason of any cause beyond its control, including, but not limited to, Act of God, Governmental action, war, fire, road or air disasters, disease, strikes or other labor disputes, then, unless alternative provisions are set out in this agreement, the time for performance of such obligation shall be extended by a period equal to the period during which that party is unable to perform its said obligations, provided that the party gives written notice of such cause to the other party promptly after it has knowledge of the occurrence thereof. In the event of force majeure occurs and continues for a period of longer than one (1) year, the party not claiming the event of force majeure may terminate this agreement upon notice to the other party.

* Notwithstanding the above, if seller experiences a disease problem that is outside seller’s control the seller will be obligated to deliver under this agreement any hogs it has under production at any facility, and seller cannot claim a Force Majeure event unless the seller is marketing fewer hogs from its overall operations that is lower than the volume requirements under this agreement.

* Notwithstanding the above, if seller experiences a disease problem that is outside seller’s control the seller will be obligated to deliver, under this agreement, a prorated percent of hogs it has under production at any facility, equal to the percent of total production committed to buyer.

* No party will be liable for damages due to delay or failure to perform any obligation under this agreement or any seller agreement during any period of time when performance is commercially impossible because of a Force Majeure Event. Force Majeure Event means strike or other labor difficulties, breakdown or damage to facilities, acts of war, acts of terrorism, pandemic human diseases, civil commotions, acts of any governmental authority, interference in telephone or electronic communications, fire, flood, windstorms, and similar causes beyond the reasonable control of the affected party. Force Majeure Event does not include hogs health or diseases that affect the production of hogs unless they are the subject of a mandate by any governmental authority. Force Majeure Event also does not include financial or market conditions. A party claiming it is excused from performance by a Force Majeure Event must promptly provide the other party written notice of such Force Majeure Event and its estimated duration.

* Unforeseen circumstances beyond your control will not amount to a breach of this agreement if you notify us as soon as possible. This agreement shall continue in force for a period of specified years from the start date

written above with an 8 month evergreen thereafter. It shall renew every 8 months after the first 2 years unless notification to terminate is provided by either party. Once notification has been made in writing, the agreement shall remain in force for a specified period.

* Except as otherwise provided herein, neither buyer nor seller shall be responsible or liable for any failure or lack of performance under this agreement or inability to slaughter hogs and thus perform hereunder, if directly or indirectly such performance is rendered impossible or commercially impracticable by an event such as an act of God, flood, fire, explosion, storm, strike, lockout, work stoppage, slowdown, boycott, picketing, labor shortage or other industrial disturbance, war, or the imposition of any law, regulation, rule or action of any court or instrumentality of the federal or any state government, or any event which impairs or prohibits the production or processing of hogs, plant slaughter operations or the marketing of pork and pork products, or any other cause beyond their reasonable control, whether or not the kind herein enumerated or otherwise, provided that the event could not have been reasonably avoided by the exercise of due diligence or reasonable care, prevention or remedial steps by the party. Force Majeure shall not include normal disease or any event attributable to gross negligence or willful default by either buyer or seller or market conditions. In the event of being rendered unable to perform, in whole or in part, in accordance with this section, the affected party shall give notice in writing of the full particulars of such force majeure, as defined in this section, to the other party as soon as possible after the occurrence of such cause relied upon, and the obligations of the affected party pursuant hereto shall be suspended during the continuance of any inability so caused until such time as the cause shall be remedied or otherwise removed. Market prices and other market conditions are specifically excluded from this provision. Any such suspension for a specified period shall extend the term of this agreement by the duration of the suspension.

* Except as otherwise provided herein, neither buyer nor seller shall be responsible or liable for any failure or lack of performance under this agreement or inability to slaughter hogs and thus perform hereunder, if directly or indirectly such performance is rendered impossible or commercially impracticable by an event such as an act of God, flood, fire, explosion, storm, strike, lockout, work stoppage, slowdown, boycott, picketing, labor shortage or other industrial disturbance, war or the imposition of any law, regulation, rule or action of any court or instrumentality of the federal or any state government, or any event which impairs or prohibits the production of hogs, plant slaughter operations or the marketing of pork and pork products, or any shortage in the availability of water or inability to properly dispose of hogs waste utilizing prudent land application practices without a buildup in phosphorous, such that seller is not able to finish its hogs in specified states, or any other cause beyond their reasonable control, whether or not the kind herein enumerated or otherwise, provided that the event could not have been reasonably avoided by the exercise of due diligence or reasonable care, prevention or remedial steps by the party. Force majeure shall not include disease or any event attributable to gross negligence or willful default by either buyer or seller or market conditions. Provided, however, in the event the buyer requests a reduction in hogs supplied by seller to buyer based upon the terms of this specified section, such reduction shall not exceed the seller's pro-rata share of the total reduction in all hogs processed by buyer. The seller's share shall be based upon seller's pro-rata share of all hogs being supplied to buyer from all sources, including, but not limited to, the buyer's own production operations as of the effective date of this agreement. For example, if the seller, as of the effective date of this agreement, is agreeing to provide 10 percent of the hogs being processed by buyer, and if the buyer becomes required to reduce the number of hogs it processes by 20 percent or is required to purchase 20 percent of its hogs on the spot market, then if specified section applies, the buyer may request the seller to reduce the number of hogs supplied under this agreement by 2 percent. In the event of being rendered unable to perform, in whole or in part, in accordance with this section, the affected party shall give notice in writing of the full particulars of such force majeure, as defined in this Section, to the other party as soon as possible after the occurrence of such cause relied upon, and the obligations

of the affected party pursuant hereto shall be suspended during the continuance of any inability so caused until such time as the cause shall be remedied or otherwise removed. Market prices and other market conditions are specifically excluded from this provision. Any such suspension for a period of ninety (90) days or more shall extend the term of this agreement by the duration of the suspension.

* Notwithstanding the above, if buyer has claimed an event of Force Majeure but has been able to schedule deliveries of market wine under this agreement to other buyer facilities, and buyer has paid any incremental shipping charges, seller will not have the option to terminate this agreement. Similarly, if seller has claimed an event of Force Majeure but has been able to schedule deliveries of hogs by the purchase of substitute hogs from other sources, which substitute hogs meet the quality criteria specified in specified section, buyer will not have the option to terminate this agreement.

* If either party is unable to perform any of its obligations under this agreement, other than an obligation for the payment of money, by reason of any cause beyond its control, including, but not limited to, Act of God, Governmental action, war, fire, road or air disasters, disease, strikes or other labor disputes, then, unless alternative provisions are set out herein, the time for performance of such obligation shall be reviewed and maybe extended by a period equal to the period during which that party is unable to perform its said obligations, provided that the party gives written notice of such cause to the other party promptly after it has knowledge of the occurrence thereof. In the event of force majeure occurs and continues for a period of longer than one (1) year, the party not claiming the event or force majeure may terminate this agreement upon notice to the other party.

* Any party to this agreement shall be relieved of its responsibility and obligations hereunder when performance becomes commercially impossible because of reasons beyond its reasonable control such as, but not limited to, fire, explosion, strike, accident, governmental regulation or intervention, and acts of God. Swine health or management problems that may impact the productivity of seller's operations, however, are not an excuse for non-delivery of qualifying hogs under this agreement. Notwithstanding the above, should performance be prevented or delayed by a cause under this provision, buyer may, but shall not be obligated to, accept such portion of the hogs as it deems, in its sole discretion, it can economically process. Any of the hogs not accepted by buyer shall automatically be released to the seller for sale or disposal elsewhere. Damage or destruction of the seller's facilities or the buyer's facilities causing the excuse or delay of seller's or buyer's performance under this provision shall be repaired or replaced as soon as is reasonably possible. Seller and buyer shall carry insurance in an amount at least equal to the replacement value of their respective facilities and shall provide proof of such insurance to the other parties each year this agreement is in effect. In the event either seller's or buyer's performance is excused hereunder, then buyer's or seller's performance shall likewise be excused.

Business Practices – Indemnity

* Seller/buyer will indemnify, defend and hold harmless buyer/seller, its officers, directors, shareholders, employees, agents, successors and assigns (each, an Indemnified Person) from any and all third party claims, demands, actions or threat of action (whether in law, equity or in an alternative proceeding), losses, liabilities, damages (including taxes), and all related costs and expenses, including reasonable legal fees and disbursements and costs of investigation, litigation, settlement, judgment, interest and penalties, and threatened losses due to, arising from or relating to any breach of agreement by seller/buyer; any actual or alleged infringement, violation or misappropriation of the intellectual property rights of any third person by seller/buyer; the negligence or

willful or reckless acts or omissions of or by seller/buyer; or the death or bodily injury of any person or the damage, loss or destruction of any real or tangible personal property caused by seller/buyer; provided, however, that seller/buyer will have no liability to buyer/seller for any such losses to the extent caused by the negligence or willful or reckless acts or omissions of or by buyer/seller. No settlement or compromise that imposes any liability or obligation on any Indemnified Person will be made without the Indemnified Person's prior written consent. Buyer will be entitled to employ counsel at its own expense to participate in the handling of the Indemnified Claim.

* Seller agrees to indemnify and hold buyer, any entities that are parent, subsidiary and/or affiliated entities as to buyer, and each of their respective directors, officers, employees, and agents harmless from and against any and all losses, costs, expenses, damages, liabilities, claims, actions, suits and judgments (including, without limitation, reasonable attorneys' fees, court costs and other costs of defense), which are suffered or incurred by any of the aforesaid indemnified parties as a result of (i.) the negligence or willful misconduct of seller or any of its officers, directors, managers, employees, agents or representatives relating to the production and delivery of hogs under this agreement, (ii.) any breach by seller of any of its obligations under this agreement, (iii.) any third party claims that any of the hogs and any non-qualifying hogs sold by seller were not fit for human consumption or that the same were not free from diseases, chemicals, residues or other harmful substances, or (iv.) any violation or alleged violation of any local, state or federal law or regulation, including, without limitation, relating to environmental matters or resulting from any release by seller of any hazardous substance.

* Each party shall indemnify and hold each other harmless from and against all losses, liability and expenses arising from damage to property or the injury or death of any person, when such injury or damages arises out of or in connection with either party's performance of this agreement; provided, however, that both buyer and seller shall not be responsible for injury or damage caused by the sole negligence or willful misconduct of the other party.

* Each of the parties hereto agrees to indemnity and hold the other party harmless from and against any and all loss, cost, liability, damage or expense, including, without limitation, reasonable attorneys' fees and disbursements, including fees and costs of experts, caused or arising from, or in connection with, any breach by such party of any obligation arising under this agreement.

* Seller agrees to indemnify and hold harmless buyer from and against all claims, demands, actions, penalties, fines, damages, losses, expenses (including but not limited to reasonable attorneys' fees and costs), and liabilities of any kind related to the payments that buyer makes directly to seller hereunder on behalf of the sellers, including but not limited to any enforcement actions relating to such methods of payment against buyer by the USDA, sellers, or any other agency or party.

* Seller/buyer will indemnify, defend at its expense, and hold buyer/seller, its officers, directors, affiliates, agents, and employees harmless from any and all losses, damages, claims, demands, litigation, expenses, and liabilities (including related costs and attorneys' fees) of every nature arising from damage to property, the injury or death of any person, a breach of this agreement or a violation of any and all laws, regulations, or permits, when such injury, damage, or violation arises out of or in connection with seller's performance of this agreement provided, however, that seller/buyer shall not be responsible for injury or damage caused by the sole negligence of buyer/seller.

* Seller covenants that it will indemnify, defend, hold and save buyer harmless from and against any and all loss, cost, liability, damage or expense, including, without limitation, reasonable attorneys' fees and

disbursements, caused by or arising from or related to seller's construction or operation of its hog production facilities, any misrepresentation, act, breach or omission of seller in connection with this agreement or seller's obligations herein, including, without limitation, any injury or death of persons or damage to property caused by or arising therefrom.

* (a) It is the intent of the parties hereto that each party shall be liable for its own negligence. Therefore, each party shall indemnify, defend and hold harmless the other party from and against all claims, demands and causes of action, costs and expenses, (including reasonable attorneys' fees and the costs and expenses of defense), losses, liabilities, suits, fines, actions, judgments and recoveries asserted against the Indemnitee by any third party (including, but not limited to, any employee or agent of the other party) for personal injury or death or from loss of or damage to property, to the extent such Claims are caused by the negligence, breach of contract or willful misconduct of the Indemnitor, its employees or representatives. (b) The indemnification provided in this agreement shall be provided only if the indemnitee (i) promptly gives written notice of the claim, demand or action to the indemnitor; (ii) gives reasonable assistance to the Indemnitor, at the Indemnitor's request and expense, in connection with the defense and/or settlement; and (iii) permits the Indemnitor to direct, and control, the defense of or any settlement of such claims, demands or actions. The indemnitee must approve of any settlement that directly or indirectly affects it, which approval shall not be unreasonably withheld or delayed. The indemnitee shall have the right, at its own expense, to participate in the defense of any such action. (c) Neither party shall be liable for any special, indirect, consequential, punitive, or liquidated damages whether arising directly or indirectly from this agreement, regardless of whether or not such damages were foreseeable.

* Seller shall indemnify, defend and hold harmless buyer from and against all losses, claims, judgments, costs and expenses, including reasonable attorneys’ fees and other legal costs arising out of, based on or resulting from seller’s breach of this agreement, including, but not limited to, third-party claims. In addition, seller shall maintain sufficient liability insurance to cover personal injuries, property damage and its indemnification obligations under this agreement, in such amounts and with such insurance companies, as buyer shall approve. Seller shall from time to time as requested by buyer provide buyer with a certificate of insurance evidencing the required insurance and identifying buyer as an additional insured party thereunder.

* Seller/Buyer agrees to indemnify and hold buyer/seller, any entities that are parent, subsidiary and/or affiliated entities as to buyer, and each of their respective directors, officers, employees, and agents harmless from and against any and all losses, costs, expenses, damages, liabilities, claims, actions, suits and judgments (including, without limitation, reasonable attorneys’ fees, court costs and other costs of defense), which are suffered or incurred by any of the aforesaid indemnified parties as a result of (i) the negligence or willful misconduct of seller/buyer or any of its officers, directors, managers, employees, agents or representatives relating to the production and delivery of hogs under this agreement or (ii) any breach by seller/buyer of any of its obligations under this agreement.

* The parties hereto agree that in the event of a default by a party in its performance hereunder, the defaulting party shall indemnify and hold harmless the non-defaulting party from and against any and all costs and expenses, including attorney fees, incurred by the non-defaulting party as a consequence of the default.

* Buyer/seller covenants that it will indemnify, defend, hold and save seller harmless from and against any and all loss, cost, liability, damage or expense, including, without limitation, reasonable attorney's fees and disbursements, caused by or arising from, or relating to any misrepresentation, act, breach or omission of buyer in connection herewith including any injury or death of persons or damage to property caused by or arising therefrom.

* Buyer agrees to indemnify and hold seller, any entities that are parent, subsidiary and/or affiliated entities as to seller, and each of their respective directors, officers, employees, and agents harmless from and against any and all losses, costs, expenses, damages, liabilities, claims, actions, suits and judgments (including, without limitation, reasonable attorneys' fees, court costs and other costs of defense), which are suffered or incurred by any of the aforesaid indemnified parties as a result of (i.) the negligence or willful misconduct of buyer or any of its officers, directors, managers, employees, agents or representatives related to the acceptance and purchase of hogs under this agreement or (ii.) any breach by buyer of any of its obligations under this agreement or any violation or alleged violation of any local, state or federal law or regulation.

* Facilitator will indemnify, defend, and hold buyer harmless for any claims made by sellers who sell their hogs to facilitator. (c) Facilitator will indemnify, defend, and hold buyer harmless for any and all liabilities, damages, claims, judgments, costs and expenses incurred by buyer arising from the actions or inactions of any buyers who sell their hogs to facilitator.

* Buyer agrees to indemnify and hold seller, any entities that are parent, subsidiary and/or affiliated entities as to seller, and each of their respective directors, officers, employees, and agents harmless from and against any and all losses, which are suffered or incurred by any of the aforesaid indemnified parties to the extent such losses are incurred or suffered as a result of (i) the negligence or willful misconduct of buyer or any of its officers, directors, managers, employees, agents or representatives related to the acceptance and purchase of hogs under this agreement and (ii) any breach by buyer of any of its obligations under this agreement. Notwithstanding the foregoing, buyer shall not be required to indemnify seller with respect to any losses attributable to the negligence of seller.

* Buyer agrees to indemnify and hold seller, seller's members, subsidiary entities, affiliated entities and each of their respective directors, officers, employees, and agents harmless from and against any and all losses, costs, expenses, damages, liabilities, claims, actions, suits and judgments (including, without limitation, reasonable attorney fees, court costs and other costs of defense) (collectively, Claims) which are suffered or incurred by any of the aforesaid indemnified parties as a result of: (a) any third party claims that any of the products processed by buyer from the hogs and any non-qualifying hogs sold by buyer as of the date of such sale were not fit for human consumption or that the same were not free from chemicals, residues or other harmful substances due to the action, inaction or negligence of buyer; (b) any release b buyer of any hazardous substance, including, without limitation, hazardous waste, hazardous substance, pollutant, contaminant, toxic material, irritant, waste gas, liquid or solid material (as those terms are defined under applicable state or federal laws or regulations); (c) any claim that buyer or any of its subcontractors was a generator or transporter of hazardous waste or an operator of the buyer's hog slaughter plant (as such terms are defined under applicable state or federal laws or regulations); or (d) any violation or alleged violation by buyer of any local, state or federal law or regulation pertaining to environmental, employment, workplace safety, transportation, equal opportunity law, taxation, Occupancy, Safety and Health Act, taxation, public health or animal production matters. Provided that buyer shall not be liable for claims arising from the gross negligence or intentional misconduct of seller, its agents or employees.

* All claims for indemnification under this article shall be asserted and resolved as follows: In the event that any claim or demand for which indemnitor would be liable to indemnitee hereunder is asserted against or sought to be collected from such indemnitee by a third party, such indemnitee shall with reasonable promptness give notice (the Claim Notice) to seller of such claim or demand, specifying the nature of and specific basis for such claim or demand and the amount or the estimated amount thereof to the extent then feasible (which estimate shall not be conclusive of the final amount of such claim or demand). Seller shall not be obligated to

indemnify indemnitee under this agreement with respect to any such claim or demand if indemnitee fails to notify indemnitor thereof in accordance with the terms of this agreement, and as a result of such failure, indemnitor's ability to defend against the claim or demand is materially prejudiced. indemnitor shall have ten (10) days from the day of delivery or mailing of the Claim Notice (the "Notice Period) to notify indemnitee i) whether or not it disputes the liability of indemnitor to indemnitee hereunder with respect to such claim or demand; and (ii) whether or not it desires, at the cost and expense of indemnitor to defend indemnitee against such claim or demand; provided, however, that indemnitee is hereby authorized, but is not obligated, prior to and during the notice period, to file any motion, answer or other pleading that it shall deem necessary or appropriate to protect its interests or those of indemnitor. If indemnitor notifies indemnitee within the notice period that it desires to defend indemnitee against such claim or demand, indemnitor shall have the right to control the defense against the claim by all appropriate proceedings and any settlement negotiations, provided that to the satisfaction of indemnitee, indemnitor shall secure indemnitee against such contested claims by providing adequate security. If indemnitee desires to participate in, but not control, any such defense or settlement, it may do so at its sole cost and expense. If indemnitor fails to respond to indemnitee within the notice period, elects not to defend indemnitee, or after electing to defend fails to commence or reasonably pursue such defense, then indemnitee shall have the right, but not the obligation, to undertake or continue the defense of, and to compromise or settle (exercising reasonable business judgment), the claim or other matter all on behalf of, for the account and at the risk of indemnitor. If requested by indemnitor, indemnitee agrees, at indemnitor's expense and upon presentation of adequate security for the payment of such expenses, to cooperate with indemnitor and its counsel in contesting any claim or demand which indemnitor elects to contest, or, if appropriate and related to the matter in question, in making any counterclaim against the person asserting the third party claim or demand, or any cross-complaint against any person. Notwithstanding the foregoing, no claim as to which indemnification is sought under this agreement may be settled without the consent of indemnitor.

* Facilitator shall indemnify, defend and hold buyer harmless from and against any and all losses, claims, judgments, costs, expenses, actions and causes of action, including reasonable attorneys' fees and other legal. costs arising out of, based on, or resulting from, directly to indirectly: (1) a breach of this agreement by facilitator; (2) facilitator's negligent acts or omissions unless a seller is responsible for the breach; (3) facilitator's violation or alleged violations of any GIPSA rules and regulations and changes; and, (4) any claim by a seller that facilitator has failed to correctly pay seller for hogs delivered in accordance with this agreement. If buyer is requested or authorized by facilitator and/or any seller or is required by government regulation, subpoena, or other legal process.to produce buyer's documents or buyer's personnel as witnesses with respect to this agreement for facilitator or any seller, facilitator will, so long as buyer is not a party to the proceeding in which the information is sought, reimburse buyer for its professional time and expenses, as well as the fees and expenses of buyer's counsel, incurred in responding to such request.

* Guarantor indemnifies and holds buyer harmless from and against any liability asserted against buyer based upon any claim or legal action filed against buyer based in whole or part upon a claim under specified regulation resulting from or connected with this guaranty, and further agrees to indemnify and hold buyer harmless as to any expense, cost or fees, including attorney's fees and court costs which buyer incurs as a result of any such claim or legal action.

* Each party is responsible for its own business and will hold the other harmless in lawsuits, claims or damages brought against the other party by third parties. Both parties agree to make every effort possible to resolve any differences that may arise between them using good faith negotiations.

* Subject to the terms and conditions of this agreement, each party (as Indemnifying Party) shall indemnify, defend, and hold harmless the other party and its parent, officers, directors, partners, members, shareholders, employees, agents, affiliates, successors, and permitted assigns (collectively, Indemnified Party) against any and all losses, damages, liabilities, deficiencies, claims (as defined herein), actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including attorneys' fees, fees and the costs of enforcing any right to indemnification under this agreement and the cost of pursuing any insurance providers (collectively, Losses), arising out of or relating to any action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceedings, litigation, citation, summons, subpoena, or investigation of any nature, civil, criminal, administrative, regulatory, or other, whether at law, in equity, or otherwise, made or brought against a Person entitled to indemnification under this section (Claim) of a third party: (i) relating to a breach or non-fulfillment of any representation, warranty, or covenant under this agreement by indemnifying party or indemnifying party's personnel; and (ii) alleging or relating to any negligent or more culpable act or omission of indemnifying party or its personnel (including any recklessness or willful misconduct) in connection with the performance of its obligations under this agreement. Notwithstanding anything to the contrary in this agreement, this section does not apply to any claim (whether direct or indirect) for which a sole or exclusive remedy is provided for under another section of this agreement. Facilitator agrees that all agreements it maintains with sellers which arise from or relate to its obligations under this agreement will contain an indemnification provision substantially similar to that contained in this section whereby facilitator and buyer as an intended-third party beneficiary of such agreement shall be entitled to indemnification from seller for seller's breach of this agreement or the seller's agreement with facilitator.

* Seller's obligation shall in no way require defense or any indemnification regarding any liability, loss, expense or claim to the proportional extent that the same arises from a wrongful act or omission of buyer. Buyer shall have the right to participate in any litigation or proceeding which may result in any liability, loss, expense or claim to or against buyer.

* Each party will indemnify and hold the other party harmless for any and all liabilities, damages, claims, judgments, costs and expenses incurred by the other party in connection with such party's breach of this agreement. Such expenses will include without limitation reasonable attorneys' fees.

* Buyer shall: (i) indemnify, defend, and hold facilitator harmless from and against any and all losses, claims, judgments, costs, expenses, actions and causes of action, including reasonable attorneys' fees and other legal costs arising out of, based on, or resulting from, directly to indirectly; and (ii) not commence any action or assert any claim against facilitator for: (a) breach of this agreement by buyer; (b) buyer's negligent acts or omissions; and/or (c) seller's breach or default under, or violation of, the terms of this agreement, including, but not limited to, a seller's failure to sell to buyer the quantity of hogs ascribed to the seller under this agreement.

Business Practices – Insurance

* Seller agrees during the term hereof to maintain adequate public liability and other insurance with reputable insurance companies as hereinafter set forth and, upon request, to furnish buyer with certificates of insurance properly executed by its insurers evidencing such a fact, and requiring the insurers to give at least thirty (30) day notice to buyer in the event of cancellation or material alteration of such coverage. The minimum insurance coverage to be maintained by Seller shall be as follows: Liability insurance covering personal injury and property damage sustained by other third parties, from accidents arising out of the seller's premises, products, completed operations, contractual liability, or the use of owned or non-owned automobiles. Such coverage to be

written on an occurrence form, affording minimum single limit protection of no less than two million dollars ($2,000,000) per occurrence and with deductibles no greater than one hundred thousand dollars ($100,000) per occurrence. Buyer shall be named as an additional insured. An umbrella or excess liability policy may be utilized to attain the required limits of insurance. The insurance required above shall reflect that such coverage is primary with respect to other insurance carried by buyer. Worker's compensation and employer's liability insurance in accordance with the statutory requirements of the state where seller conducts is operation.

* Seller will be enrolled in buyer's insurance program.

Business Practices - Length/Term of Agreement

* This agreement shall commence on the date first above written and shall continue for specified years from such date, unless sooner terminated in accordance with the terms hereof. Seller shall have the right to terminate this agreement until 12:00 midnight on the third business day after the day on which seller signs this agreement by providing written notice of termination to buyer.

* Unless otherwise mutually agreed in writing by the parties, seller will continue to sell and deliver to buyer, and buyer will continue to purchase from seller, hogs for a period of time following the termination date (the wind down period), as set forth in the delivery schedule attached as specified exhibit.

* Specified date is the date that seller will first deliver to buyer hogs under this agreement. The earliest initial term of this agreement shall start specified date and be effective for five years maximum from the first delivery of hogs to buyer under this agreement. This agreement may be terminated by either party with a written one year notice to the other party after four years. If notice is not given by either party, the agreement will extend to six years.

* This agreement shall commence on specified date and shall continue indefinitely thereafter until either party gives written notice of their intent to terminate. The first date such termination notice may be given by either party is specified date. The agreement shall expire specified weeks after written receipt of such acknowledged notice by the non-terminating party.

* Effective date shall mean the date on which seller gives written notice to buyer stating the first delivery date for hogs by seller to buyer in accordance with this agreement, and which shall not occur prior to specified date.

* Upon receipt of the reduction notice, the term of the agreement (as amended hereby) will continue to be evergreen, subject to the following: (a) The minimum term of the agreement, beginning with the effective date is 4 years of full volume. Full volume shall take into account any reduction in deliveries as provided at specified section of this amendment. Either party may terminate the agreement by providing a notice of such party's intention to start the termination process 24 months following the other party's receipt of such notice (the "24-month full volume period"); (b) The termination process shall include the 24 month full volume period, followed by two years of reduced deliveries; and (c) During the first 12 months following the 24-month full volume period, the annual total production shall be reduced to specified hogs, and during the second 12 months following the 24-month full volume period, the annual total production shall be specified hogs.

* Seller's obligation to deliver hogs to buyer shall begin on or about specified date and continue for a period of one (1) years after the date of the first sale. Thereafter the term of this agreement shall be automatically

extended for successive 6-month extensions, subject to termination by either party by written notice to the other party at least 6-months prior to the end of the then current term.

* The term of this agreement shall be for the specified period and shall begin on the date specified. Specified attachment is incorporated by reference. This agreement shall automatically renew for successive one (1) year terms, subject to termination by either party by written notice to the other party at least one hundred twenty (120) days prior to the end of the then current term.

* The term of this agreement shall be for a period of specified years, and shall begin on specified date and will end specified years from the specified date. This agreement will thereafter automatically renew for successive one year periods following the original term termination date unless and until either party provides written notice to the other of termination no less than six (6) months prior to the expiration date of the then current term.

* This agreement shall be deemed to have commenced on specified date and will continue for a period of four years. Thereafter the term of this agreement shall be automatically extended at the end of the second (2) year of the initial term, and on each and every day thereafter, for an additional two (2) year period until such time as one party hereto gives notice to the other party hereto of its intent not to extend the term of this agreement. Notice of intent to not extend the term of this agreement must be given at least two years prior to the intended expiration date.

* Agreement year means the fifty-two (52) week period commencing on the commencement date and on each anniversary of the commencement date thereafter.

* Specified date to specified Date. 2-year agreement with a 6 month evergreen. Cancelation notice may be given on or after specified date by either party in which the agreement would then end 6 months from cancelation notice date. Cancelation notice must be in writing.

* This agreement shall continue and remain in full force and effect for a period of 3 years from specified date through specified date. This agreement shall automatically renew for subsequent one year terms unless one of the parties provides the other party written notice of their desire not to renew this agreement at least 12 months prior to the expiration of the initial term or any subsequent term. In the event that the agreement is renewed for a subsequent term(s), the quantity and delivery dates for the subsequent term(s) shall be mutually agreed to by the parties by updating the production schedule set-forth in specified exhibit attached hereto. The seller will give a draft specified exhibit to buyer for any subsequent term specified months prior to the end of the current term. The parties agree that specified section required a written amendment will not be required for such updates to specified exhibit in accordance with the automatic renewal provisions of this specified section.

* The term of this agreement shall be for specified months effective as of the closing of the sale, and shall automatically renew for additional six (6) month terms unless terminated by either party. To terminate this agreement, a party must serve a written notice of terminate this agreement at least six (6) months before the expiration of the then current term. However, a party shall be entitled to serve the written notice of termination only after the initial twelve (12) months of this agreement.

* Pursuant to specified state law, this agreement may be terminated during a three (3) day review period which commences on the execution date (date first written above), and the parties agree either party can provide a written notice of termination to the other during such review period. If neither party terminates the agreement

during such three (3) day review period, the term of this agreement shall commence on specified date and, subject to earlier termination otherwise explicitly provided for in this agreement, extend through specified date. At the end of the term, seller shall continue to deliver hogs to buyer, in accordance with the terms and conditions hereof, for 12 additional months, with deliveries being reduced each month as provided in specified section below. At the conclusion of such 12 month period, neither party shall have any further obligations to the other party under this agreement or otherwise unless otherwise contained in a subsequent written agreement signed by the parties.

* This amendment shall be effective on the specified date. In accordance with specified section of the agreement, the term is hereby extended through specified date.

* The term of this agreement shall be a period of specified years commencing on specified date and ending on specified date subject to the renewal provisions set forth in specified sections below, or unless earlier terminated in accordance with the provisions hereof.

* The term of this agreement shall commence on specified date, and end specified days after either party gives written notification of termination, as set forth in specified paragraph below, subject to the termination provisions in specified section below, or unless earlier terminated in accordance with the provisions hereof.

* Verbal 6 month notice to exit

* No fixed date. Hogs purchased as needed.

* If the delivery period of any forward priced hogs extends beyond expiration of this addendum and the agreement (including any extension hereof or thereof), the parties agree that the term of this addendum and the agreement will be extended as to such forward priced hogs through delivery of such forward priced hogs. If the delivery period of any forward priced hogs extends beyond termination of this addendum or the agreement (except for termination due to seller's default), the parties agree that the term of this addendum and the agreement will be extended as to such forward priced hogs through delivery of such forward priced hogs. If buyer terminates the agreement for seller's default, the agreement will not be extended as to any forward priced hogs.

* The term of this amendment shall commence on specified date and shall end specified period after one party delivers to the other a written notice of termination (which shall also have the effect of terminating the agreement), however in no event may either party send a written notice of termination that would be effective within specified period of the commencement date (e.g. a party can send a notice prior to the specified year, but the notice cannot end the agreement prior to the specified year).

* This agreement shall be in effect for specified years beginning on specified date through specified date (the initial term). This agreement shall automatically renew for additional specified year terms and continue until terminated by either party upon giving written notice, not less than specified years prior to the desired termination date (the notice). Notice to terminate this agreement may not be given prior to the expiration of the initial term, and termination of this agreement shall not be effective prior to specified date.

* The length of this agreement is through specified date which will serve as the termination date.

* This agreement shall commence on the date first above written shall continue thereafter until buyer or seller

terminates the agreement upon written notice to the other, with termination to be effective specified period from the date of such notice; provided however that such notice may not be given prior to specified date. Seller shall have the right to terminate this agreement until 12:00 midnight on the third business day after the day on which seller signs this agreement by providing written notice of termination to buyer.

* This agreement shall be deemed to have commenced on specified date and continue for a period of specified period with an expiration date of specified date.

* This term of this schedule will commence on schedule effective date and will continue in effect for a period of specified years, or until earlier terminated by a party pursuant to the terms of this schedule and the agreement, but will be automatically extended on the same terms and conditions for an additional one year period at the end of each calendar year of the term, unless one of the parties elects to opt-out of the automatic one-year extension by sending written notice thereof to the other party, in which case, the term of this schedule will be for a period of three years from the first day of the calendar month following the date of such notice.

* This agreement shall commence on the date first above written shall continue for three (3) years from such date (the initial term). Notwithstanding the foregoing, buyer and seller may terminate the agreement by giving written notice to the other party no earlier than 6 months prior to the termination of the Initial (the termination notice), it being understood and agreed that the termination notice shall be effective six (6) months from the date of the termination notice.

* This agreement will be in effect for a period of specified years. Within the specified years this agreement will be up for review on an annual negotiated renewal basis.

* This agreement shall commence on the date first above written shall continue for specified period from such date (the initial term). After the initial term, this agreement shall be automatically extended for specified period (each a renewal term). Notwithstanding the foregoing, buyer or seller may terminate the agreement by giving written notice to the other party within a specified period prior to expiration of the initial term or renewal term (the termination notice), it being understood and agreed that the termination notice shall be effective at the expiration of the subsequent renewal term. For avoidance of doubt, the parties' desire at least specified months' notice before the agreement is terminated. Seller shall have the right to terminate this agreement until 12:00 midnight on the third business day after the day on which seller sighs this agreement by providing written notice of termination to buyer.

* This agreement will commence on and be in force until specified date.

* This agreement shall commence on the date first above written shall remain in force until terminated through written notice served by either party to the other party. Notice of termination cannot be served until specified date. The termination date shall become effective specified months after notice of termination is received. At that time specified percent of the supply will be terminated, with the remaining percentage terminated in a specified schedule.

* This agreement shall be in effect for the term. The term shall continue until the termination date specified in a termination notice that is provided by either buyer or seller to the other; provided however, that a termination notice (i) may not be given by either seller or buyer until on or after specified date and (ii) shall specify a date upon which this agreement shall terminate, which date must be specified months after the date such notice is received by the recipient

* 1 month to 24 months

* This agreement will be effective on specified date and shall continue for a period of one year (the initial term). This agreement will automatically renew for additional one year periods (each a renewal term) unless terminated by either party one hundred eighty (180) days prior to the conclusion of the initial term or any renewal term. Notwithstanding the foregoing, nothing in this section is intended to limit in any manner any rights of a party to terminate this agreement, whether such rights are provided expressly by this agreement or by operation of law.

* At buyers discretion

* Seller's obligation to deliver hogs to buyer shall begin on or about specified date and continue for a period of specified years after the date of the first sale (the initial term)

* This addendum is effective beginning specified date and expires on specified date. Seller must deliver in full-year time frames. If the expiration date of this addendum is later than that of the agreement, the expiration date of the agreement is hereby amended to equal the expiration date of this addendum. During the period of time covered by this addendum, the parties agree the provision to terminate this agreement granted in specified section of the agreement is limited to becoming effective on the anniversary of the effective date of this addendum, and then only if: (i) the minimum term is completed, (ii) at least 6 months prior written notice is delivered to the other party, and (iii) the parties have not established a forward price for hogs beyond the anniversary of the effective date of this addendum. Seller acknowledges that it must deliver in full-year time frames, and establishing a forward price for hogs beyond the anniversary of the effective date of a multi-year Addendum will require seller to deliver hogs for the entire following year in accordance with the terms of this addendum. Seller cannot forward price beyond the expiration date of this addendum.

* The agreement shall be effective for an initial term of specified period commencing on specified date and concluding on specified date (the initial term). Following the conclusion of the initial term, this agreement shall automatically continue, on the same terms and conditions set forth herein, unless and until one of the parties provides the other party written notice of its desire to terminate the agreement, with termination to be effective 24 months from and after the date of such notice (the extension term). (The initial term and the extension term are hereinafter collectively referred to as the term.)

* This agreement shall be in effect for a period of specified weeks from specified date through specified date with exception of the amendment to be made in regard to the specified sow unit as set for in specified exhibit (initial term). Upon completion of the initial term, buyer and seller agree they will negotiate in good faith to execute a new agreement with a similar quantity of hogs as set forth in specified exhibit.

* This agreement shall be in effect for a period of specified weeks/years from specified date through specified date (initial term). This agreement shall automatically renew for subsequent 52 week terms (each a renewal term) unless one of the parties provides the other party written notice of their desire not to renew this agreement at least 52 weeks prior to the expiration of the initial term or the then current renewal term. In the event that this agreement is renewed for a subsequent term(s), seller shall produce hogs in the quantity set forth in specified exhibit for the subsequent term(s). The parties agree that specified section requiring a written amendment will not be required to extend the initial term or a renewal term in accordance with the automatic renewal provisions of this specified section.

* The initial term of this agreement shall be specified years, commencing on the date this agreement is signed and continuing until specified date. Either party can extend the term of this agreement subject to the provisions of specified section below.

* The term of this agreement commences on the effective date and continues for a minimum of specified years (the initial term). Following the initial term, this agreement will automatically renew for specified renewal terms at midnight on specified date of each year (each such period will be a renewal term) until terminated.

* Either party may cancel this agreement by delivering a written notice of cancellation to the other party within three business days of the date seller receives a fully executed copy of this agreement via e-mail, by facsimile, or hardcopy. If a written notice of cancellation is not mailed within three business days of the date seller receives a fully executed copy of this agreement, the term of this agreement shall begin on specified date and shall end specified months after either party to this agreement has given the other party a written notice of termination, unless terminated earlier pursuant to the provisions of this agreement. Notwithstanding, in no event may either party send a written notice of termination that would be effective within specified period of the commencement date (e.g. a party can send a notice prior to the specified period, but the notice cannot end the agreement prior to the specified period), unless terminated earlier pursuant to specified sections of this agreement. [This agreement will supersede and replace the specified dated (collectively, the prior agreements). The parties intend that the prior agreements and all amendments will continue only through midnight, specified date and will forever terminate as of that date and time.]

* This agreement shall continue and remain in full force and effect for a period of 1 year from specified date through specified date. After specified date either party may give notice to terminate, with such termination being effective 26 weeks after receipt of such notice by the non-terminating party.

* Term shall mean the period between specified date and the termination date specified in a termination notice.

* The term of this agreement shall begin on specified date and end specified date.

* Effective immediately, the ending date of the agreement as found in specified paragraph, term shall be amended from specified date to specified date.

* The length of the agreement will be one year from the commencement date. The agreement will renew for an additional one year unless either party provides 180 days of notice prior to the end of specified year.

* This contract is a specified length agreement with an automatic (6) month evergreen meaning that it automatically renews after the first year until terminated. Either party may terminate this agreement at any time for any reason with a six (6) month notice of termination after the first year is complete.

* This agreement shall continue and remain in full force and effect for a period of specified period from specified date through specified date unless otherwise extended by the parties hereto or unless terminated in accordance with the terms hereof.

* As used in this amendment, the term effective date means the first day a hog is delivered under a separate agreement (to be entered into between buyer and seller) to a new facility by seller under a new agreement to be entered into between buyer and seller.

* One month to twelve months

* The term of this agreement shall commence on specified date and end specified days after either party give written notification of termination unless earlier terminated in accordance with the provision hereof.

* Effective date shall mean the first business day following execution of this agreement.

* The term of this agreement shall be for specified years and shall begin on the first day of delivery of the first hogs farrowed from seller's sows listed on specified schedule, which first date of delivery is estimated to be on or about specified date and ending on or about specified date.

* From the date hereof, this agreement shall continue and remain in full force and effect from and after specified date through specified date (unless otherwise extended by the parties hereto or unless terminated in accordance with the terms hereof).

* Specified number of days/years

* This agreement shall commence on the date first above written shall continue thereafter until buyer or seller terminates the agreement upon written notice to the other, with termination to be effective specified period from the date of such notice; provided however that such notice may not be given prior to specified date. Termination of this agreement shall occur no less than specified period from the termination date of previous agreement between buyer and seller.

* The obligations of this agreement shall commence on the effective date and shall continue thereafter until terminated in accordance with the provisions of this agreement. The effective date shall be specified date.

* This agreement shall be deemed to have commenced on specified date and will continue until specified date. Thereafter the term of this agreement shall be automatically extended specified period agreeable to both parties in writing or maybe terminated should either party notify in writing of their intent to terminate specified period prior to specified date.

* The term of this agreement shall commence on specified date and shall end (check one of the following based on the maximum annual production listed in specified section: if 10,000 head annually or less, 12 months; if 10,001 to 25,000 head annually, 18 months; if 25,001 to 50,000 head annually, 24 months; if 50,001 to 100,000 head annually, 30 months; if 100,001 to 250,000 head annually, 36 months; if 250,001 to 500,000 head annually, 48 months; if greater than 500,000 head annually, 60 months; or (insert number) months as mutually agreed by buyer and seller (period cannot be shorter than the period that would be required immediately above based on the seller' s maximum annual production as listed after one party delivers to the other a written notice of termination. In no event may either party send a written notice of termination that would be effective within three (3) years of the commencement date (e.g. a party can send a notice prior to the third year, but the notice cannot end the agreement prior to the third year), unless terminated earlier pursuant to specified sections of this agreement.

* The term of this agreement shall commence on specified date and shall end specified period after one party delivers to the other written notice of termination. In no event may either party send a written notice of termination that would be effective within specified period of the commencement date (e.g. a party can send a notice prior to the specified year, but the notice cannot end the agreement prior to the specified year unless

terminated earlier pursuant to specified sections of this agreement.

* Start Date: Specified Date; Length of agreement: Specified number of years; Expiration: Specified Date

* Through specified date

* This agreement shall be binding when signed by both parties. The term of the agreement is specified period from the date of the first delivery of hogs under the agreement or specified date whichever is earlier.

* The term of this agreement shall be specified months commencing specified date. The parties agree that on or before the end of the first 6 months of this agreement, the parties will meet to review the terms herein. At such meeting, if a party is not satisfied with a term or terms of this agreement and the parties cannot in good faith agree to mutually acceptable terms, then either party shall have the right to terminate this agreement upon thirty (30) days written notice to the other.

* This agreement shall continue in force for a period of specified number of years from the date first written above. Expiring on specified date.

* Ongoing subject to verbal notification by either party

* The term of this agreement commences on the effective date and expires on specified date, unless terminated earlier as allowed in this section. The parties agree that this agreement must continue for a minimum of specified months (the minimum term). After the minimum term, either party may terminate this agreement by providing at least specified months prior written notice to the other party, with such termination being effective on the anniversary of the effective date that is at least specified months later. Under no circumstances may this agreement be terminated without cause prior to the completion of the minimum term. Regardless of whether the minimum term has been completed, this agreement remains at all times subject to termination pursuant to the section titled default.

* The initial term of this agreement commences on the effective date set forth above and expires on specified date (the initial term). This agreement is subject to termination pursuant to specified section. At the end of the initial term, this agreement shall automatically renew for successive two (2) year terms (each, a renewal term) unless terminated by either party by giving written notice of such a termination at least two (2) years prior to the end of the initial term or then current renewal term.

* The initial term of the agreement commences on the effective date set forth above and expires on specified date. This agreement is subject to termination pursuant to the sections titled Default, Changed Circumstances, and Legal Compliance. If there is a balance owing under the Loan Purchase agreement at the end of the initial term of this agreement, and subject to the provisions of the section of this agreement titled Changed Circumstances, seller may not terminate this agreement and buyer may elect to extend the agreement until such time as the Loan Purchase agreement balance reaches zero, with such extension becoming effective by buyer providing written notice to seller. During any such extended term of this agreement, seller may terminate this agreement at any time by providing 2 years' written notice to buyer.

* The term of this agreement is specified years. The agreement may be reopened biannually, at the request of either party, with 60 days written notice, to negotiate the market price base of a specified price and/or if the market price base exceeds specified price.

* No termination date

* The term of this agreement shall commence on the effective date hereof and shall continue and exist through and until midnight on the date that is six (6) years following the date of notice of termination of this agreement given by either seller or buyer to the other party hereto. In the event either party desires to terminate this agreement pursuant to the foregoing sentence, it shall send written notice of such termination in accordance with this agreement, and such termination shall become effective on the sixth (6th) anniversary date of the effective date of such notice.

* This agreement is for one full year beginning specified date through specified date.

* This agreement shall commence on specified date and expire on specified date. This agreement may be extended for specified years if mutually agreed upon by both parties and memorialized in a signed writing.

* Annual Renewal

* Terminates on specified date and auto renews without notice

* This agreement shale become effective specified date. This agreement shall thereafter renew on a daily basis so that it continues in effect until midnight on the date that is specified period from the effective date of notice of termination by either party (the notice date), or until otherwise terminated as provided herein for inability of a party to perform as set out in specified paragraph, whichever occurs first. Except as provided in specified paragraph, a notice of termination of this agreement cannot be given by either party until specified period has passed from the effective date of this agreement. Once a notice of termination has been given, seller shall be entitled to phase out delivery of hogs according to the following schedule.

* The term of this agreement commences on the effective date and expires on specified date. Notwithstanding the preceding, this agreement remains at all times subject to termination pursuant to the section titled default; or otherwise provided herein, or as may be permitted by operation of law.

* Seller agrees that the minimum term for delivery on this agreement is specified period for options 1, 2, 3, 4, or 5; the minimum term for option 6 is specified period. The term of this agreement is determined by start date designated in specified section below. Seller must give buyer and facilitator at least a specified period prior written notice, if seller intends to terminate this agreement after the minimum term.

* The term of this agreement commences on the effective date and expires on specified date unless terminated pursuant to the section titled default. The parties understand and agree that this agreement cannot be terminated for any reason except default. Notwithstanding the above, the parties may mutually agree to terminate this agreement.

* The term of this agreement begins on specified date and then continues in increments of twelve (12) months, unless either party notifies the other party in writing at least three (3) months prior to the anniversary date prior to the start of an additional twelve month period.

* The term of this agreement shall begin on specified date and end at either party's option, six (6) months after written notice by one party to the other party, provided that such written notice may not be given until on or after specified date.

* The term of this agreement shall commence for all hogs delivered after specified date and shall end three (3) years after one party delivers to the other party a written notice of termination. The parties have agreed that the minimum term of this agreement will be for a period of three (3) years, unless terminated earlier pursuant to specified sections of this agreement. Upon the execution date of this agreement, this agreement will supersede and replace the original hog procurement agreement dated the specified date between buyer and seller.

* This agreement will supersede and replace the specified agreement dated specified date. The parties intend that the prior agreement and all amendments will continue only through midnight, specified date and will forever terminate as of that date and time. The parties have resolved the notice of termination dated specified date, delivered to by seller by entering this agreement, which shall be effective as of specified date.

* The term of this agreement commences on the effective date and expires on specified date, unless terminated earlier as allowed in this section. Either party may terminate this agreement early by providing at least specified months prior written notice to the other party. This agreement remains at all times subject to termination pursuant to the section titled Default.

Business Practices – Liability

* Facilitator shall cause seller to represent and warrant that they will, at their own expense, maintain and carry in full force and effect general liability insurance in a sum no less than one million dollars ($1,000,000).

* Seller shall, at its own expense, maintain and carry in full force and effect commercial general liability insurance in a sum no less than one million dollars ($1,000,000). Upon buyer's request, seller shall provide buyer with a certificate of insurance evidencing the insurance coverage specified in this section. Seller shall provide buyer with thirty (30) days' advance written notice in the event of a cancellation or material change in such insurance policy.

* Seller will, at its own expense, maintain and carry in full force and effect general liability insurance, or such other form of insurance as facilitator shall require, in a sum no less than one million dollars ($1,000,000), and facilitator shall be named as an additional insured on all such insurance policies.

* Seller shall maintain adequate insurance with reputable insurance companies as hereinafter set forth for the term of this agreement. The minimum insurance coverage to be maintained by Seller shall be no less than one million dollars ($1,000,000) per occurrence of liability insurance covering personal injury and property damage resulting from or relating to accidents arising out of the acts or omissions of seller. Seller shall also carry worker's compensation and employer's liability insurance in accordance with the statutory requirements of the state where seller conducts is operation.

* Seller agrees during the term hereof to maintain adequate public liability and other insurance with reputable insurance companies as hereinafter set forth and, upon request, to furnish buyer with certificates of insurance properly executed by its insurers evidencing such a fact, and requiring the insurers to give at least thirty (30) days’ notice to Buyer in the event of cancellation or material alteration of such coverage. The minimum insurance coverage to be maintained by seller shall be as follows: (a) Liability insurance covering personal injury and property damage sustained by other third parties, from accidents arising out of the seller’s premises, products, completed operations, contractual liability, or the use of owned or non-owned automobiles. Such

coverage to be written on an occurrence form, affording minimum single limit protection of no less than two million dollars ($2,000,000) per occurrence and with deductibles no greater than one hundred thousand dollars ($100,000) per occurrence. Buyer shall be named as an additional insured. An umbrella or excess liability policy may be utilized to attain the required limits of insurance. The insurance required above shall reflect that such coverage is primary with respect to other insurance carried by buyer. (b) Worker's compensation and employer's liability insurance in accordance with the statutory requirements of the state where Seller conducts is operation.

* Each of party is jointly and severally liable for all seller obligations arising under this agreement.

* If the seller consists of more than one person or entity, such persons/entities shall be jointly and severally liable hereunder.

Business Practices – Notice

* All notices, requests, demands and other communications hereunder shall be deemed to be duly given if delivered by hand or if mailed by certified or registered mall, postage prepaid, at the addresses set forth here. [Notices shall be deemed given when sent.]

* Except as otherwise provided in this agreement, all notices and other communications which are to be given under this agreement shall be in writing and shall be sent by hand delivery, courier (including overnight delivery service), telegram, registered or certified mail or facsimile transmission, in all cases return receipt requested, fees and postage prepaid, addressed to the party to be notified as follows (or to such other address as such party shall designate by notice to the other).

* All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this section.

* Any notice required or permitted under this agreement shall be in writing and sent by express air courier or registered or certified mail, return receipt requested and sent to addresses provided and shall be effective upon receipt.

* The internet email address for buyer for purposes of this paragraph is specified, until such time as some other email address shall have been given in writing to seller in a manner complying with the requirements of this paragraph. The Internet email address for seller for purposes of this paragraph is specified until such time as some other email address shall have been given in writing to buyer in a manner complying with the requirements of this paragraph.

* All notices required or permitted to be given hereunder shall be in writing and shall be deemed properly given when delivered in person to the party to be notified, or when sent by courier service, costs prepaid, or when sent by fax, to the party to be notified, at its address set forth below, or such other address within the continental United States of America as the party to be notified may have designated prior thereto by written notice to the other.

* Any notices required pursuant to the terms of this agreement shall be in writing, and shall be either delivered personally, delivered to a reputable overnight delivery service providing a receipt, or deposited in the United States mail, postage prepaid and registered or certified with return receipt requested, to the parties at the following addresses or at such other address as shall be specified by notice given pursuant to this paragraph. The effective date of notice given as aforesaid shall be the date of personal service, one business day after delivery to such overnight delivery service, or three business days after being deposited in the United States mail, whichever is applicable.

* Guarantor waives notice of acceptance of the guaranty, notice of the creation, existence and maturity of all obligations, notice of default or extension of time, protest, presentment, demand for payment, notice of dishonor and diligence in enforcement of all obligations.

* All notices, requests, demands and other communications which are required or may be given pursuant to the terms of this agreement shall be in writing and shall be deemed given when delivered by hand, by mail, if mailed postage-prepaid (registered, certified, Priority or Express mail, return receipt requested), or by Federal Express or comparable courier, addressed as follows, until such time as some other address shall have been given in writing to the other party in a manner complying with the requirements of this paragraph.

* The guarantors expressly waive any right to notices which may be required by law, including without limitation notice of acceptance of this personal guaranty, notice of any modification, extension and amendment of this agreement, and notice of any default by seller.

Business Practices - Other Business Conditions

* This agreement shall not be exclusive to seller, but instead may be offered by buyer to other sellers.

* Facilitator will provide seller access to a portion of facilitator's hog market by allocating seller a portion of facilitator's limited and valuable shackle spaces with buyer.

* Buyer agrees to not resell any live animals provided by seller to any other person or entity other than buyer and any of its subsidiary or controlled companies. Buyer will assure that any person whatever will use no hogs delivered to buyer for breeding stock purposes.

* If occasionally, a seller is unable to fill the load, the seller will find the hogs to fill that load as long as it meets the buyer's genetic requirements.

* The following is a partial list of some of the material risks of the contract for the seller. You may encounter other or different risks because of circumstances that are unique to you or your business: This agreement requires a long-term commitment by the seller to deliver a specific number of hogs; the seller is legally required to provide the number of hogs meeting the specifications in the agreement. Buyer can terminate this contract

with specified notice, after specified time, and upon termination the seller will have to find another buyer for his/her hogs; Seller could find a buyer willing to pay a higher price for the seller's hogs, however, the seller will be legally bound to deliver the required number of hogs committed under this agreement for the term of the agreement. Performance under the terms of the agreement does not ensure that seller will make a profit; the agreement requires that you deliver a specific quantity of pigs for the entire term of the agreement. This may turn out not to be the most beneficial way for you to hogs; Seller bears all the risks of production of hogs; Seller is responsible for compliance with all applicable federal, state and local laws and regulations; Buyer may change the carcass buying program from time to time. Such changes may mean that you are paid less for the same types of hogs you delivered prior to the change; You agree to incur all freight costs to deliver hogs to our plant as marked in the agreement; If you are in default or amounts you owe us are past due, we may pay you less than amounts you are otherwise due; We may terminate the agreement prior to expiration of the term of the agreement if you are in default; We may terminate the agreement prior to expiration of the term of the agreement if we stop harvesting hogs at the plant(s) designated for delivery of your hogs; If you are in default, we have the right to pursue any and all remedies available If you default, you must pay us damages set forth in the agreement.

* These representations and warranties are contractual, they are material terms of the agreement, and they are not mere recitals.

* Seller could find a buyer willing to pay a higher price for the seller’s hogs, however, the seller will be legally bound to deliver the required number of hogs committed under this agreement for the term of the agreement.

* Each party has the sole right to conduct his operation as it sees fit, provided only that such conduct is not to be in conflict with any of the provisions of this agreement

* Buyer and seller further agree that during the first year commencing with seller's certification, the parties shall work together in good faith so as to discover the true value of Paylean. Neither party shall have any obligation to provide, to the other party, financial or production records as a part of this process.

* Buyer is an equal opportunity employer and federal contractor or subcontractor. Consequently, the parties agree that, as applicable, they will abide by the requirements of 41 CFR 60-1.4(a), 41 CFR 60-300.S (a) and 41 CFR60-741.S (a) and that these laws are incorporated herein by reference. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. These regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability. The parties also agree that, as applicable, they will abide by the requirements of Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A), relating to the notice of employee rights under federal labor laws

* Seller must allow buyer to review and approve the following aspects of its hog production operation at the commencement of this agreement and any changes seller makes to these aspects: (1) A genetic program capable of producing lean, uniform sorted hogs that consistently meet Packer's requirements; (2) Facilities to farrow and finish hogs year round and/or sources of weanling and/or feeder pigs; (3) A balanced nutritional hogs diet where the hogs' minimum requirements are met. All feed ingredients in the hogs ration must contain only ingredients or products that are USDA/Food and Drug Administration (FDA) approved for use in food animals. The feeding program must also follow Packer's written recommendation on feeding of dried distiller's grains with

soluble (DDGS). Buyer may in its sole discretion change the DDGS policy by providing written notice to seller;

* Seller agrees to certify to buyer once each year or upon request by buyer that seller is in compliance with the terms and conditions of this agreement. Such seller certification shall be in writing and documented on a form supplied by buyer.

* Buyer is not executing any futures, options or other derivatives contracts on seller's behalf. Any such contracts that buyer trades are being traded for its own account and for the purpose of hedging its price risk associated with forward pricing. Buyer is not an advisor, broker, merchant or other type of entity registered with the National Futures Association or any exchange. Buyer and its employees cannot provide advice to seller and make no representations or guarantees of any kind whatsoever regarding the consequences or profitability of any marketing plan.

* Seller covenants that during the term of this agreement, specified person shall, subject to his death or disability, act as the President and Chief Executive Officer of seller, and his duties shall include overall responsibility for the management and operation of the facilities that are the subject of this agreement, as such facilities may be modified from time to time in accordance with this agreement. It is agreed that's personal involvement is essential to this agreement; therefore, seller shall ensure that will devote the time that is reasonably necessary to attend to the proper management of seller. Should die or become permanently disabled, a qualified replacement shall promptly be designed by seller to seller shall also designate to from time to time an assistant to the chief executive, whose duties shall include assisting the chief executive in fulfilling the obligations described above and serving as the chief executive's replacement in the event of a temporary absence. Seller initially designates specified person as such assistant.

* Agrees to maintain the ability to send and receive all information electronically, including, but not limited to harvest data, production data, projected and scheduled deliveries, through a computer system with e-mail and Internet access.

* Certifies that all animals presented to buyer for slaughter are not clones derived via somatic cell nuclear transfer.

* Seller assumes all risk for any hedged positions.

Business Practices - Production Costs

* Seller shall be solely responsible to pay all costs and expenses necessary to produce the hogs as required by this agreement, including without limitation all costs and expenses to house, feed and care for the hogs.

* Seller agrees to negotiate in good faith to make up to 140,000 tons of feed per year for buyer at seller's actual cost assuming that seller has the milling capacity available. Seller and buyer shall periodically review the costs being charged for the hog feed, and shall in good faith discuss any suggested revisions by one party or the other.

Business Practices – Profitability

* Raising hogs for profit depends on many factors. Performance under the terms of the agreement does not ensure that you will make a profit. Your profitability is affected by numerous factors. Such factors include, but are not limited to, your own husbandry and management skills, herd health, adverse weather conditions, or other catastrophic loss of the facilities or the hogs on account of factors beyond our or your control.

* Making a profit finishing hogs depends on many factors. Performance under the terms of this agreement does not ensure that you will make a profit. Your profitability is affected by numerous factors including, but not limited to, your labor costs, the quality and reliability of your facilities, and your insurance coverage.

* Neither party makes any warranties or representations, express or implied, as to the profitability of the other party's operation under the terms of this agreement.

* This agreement is not a cost plus agreement. This means that you are not assured of covering all of your costs of operation, or of earning a profit, by performing in accordance with the contract terms.

* Buyer makes no representations, warranties or guarantees of seller’s profitability under this agreement. Seller acknowledges and agrees that the production of hogs is a speculative business and this agreement does not guarantee any profits to seller. [Seller understands and agrees that at the end of the term of this agreement seller is responsible for repaying any balance in the deficiency account to pursuant to the terms of this agreement.]

Business Practices - Records/Documentation

* Seller shall cause buyer to have the right to visit and inspect such sites, at buyer’s cost, upon reasonable notice and at reasonable times. The times between 8:00 a.m. and 3:00 p.m. shall be deemed to be reasonable times for inspection, provided buyer provides seller with at least seventy-two (72) hours' prior notice of its intended inspection. Buyer shall adhere to all reasonable biosecurity policies set forth for the facilities being inspected.

* To provide us a complete set of seller's financial statements and production information at any time upon our request, and complete any standard financial or production report that we request.

* A cost and recordkeeping system and a tracking system to comply with COOL.

* Any forms, database records and/or other handwritten records used to record information required in this manual, need to be retained for a minimum of two years. All records need to be available for review during a buyer supplier evaluation.

* Buyer will keep all necessary records with respect to receipt, weighing and payment for all carcasses in accordance with buyer' regular record retention and destruction schedule. Buyer currently retain all P&L's and checks for two years. Upon giving buyer reasonable notice, seller may inspect such records relating to its hogs during normal business hours at locations designated by buyer. Buyer will supply at seller's expense copies of such records as seller reasonably requests.

* Seller agrees to provide, upon buyer request, a copy of seller's audited financial statements (Including, but not limited to, tax returns, balance sheet, income statement, and statement of cash flows), as well as quarterly, monthly, annual or other financial statements prepared by or for seller in the normal course of seller's business.

Swine Packer Marketing Contract Summary – National Other Provisions

* Seller shall supply buyer, upon request, with current contact information for all seller farms and contracted locations. Buyer and/or its representatives shall have the right to visit and inspect farms upon reasonable notice and at reasonable times. The times between 8:00 a.m. and 4:00 p.m. shall be deemed to be reasonable times for inspection, provided buyer provides seller with at least twenty-four (24) hours' notice of its intended inspection. Seller shall supply to buyer upon request all records relative to the production of program hogs marketed under this agreement in order to verify compliance with specified program guidelines and shall utilize the forms and recordkeeping procedures developed by buyer. Buyer shall be entitled to bring its customers or potential customers to seller's facility upon giving proper notice to seller. Buyer agrees to follow all reasonable biosecurity procedures.

* Seller must provide buyer upon request reasonable and customary financial information to demonstrate seller's ability to perform its obligations under this agreement. Seller must also inform buyer of any default by seller under any loan agreement with its lender(s), regardless of whether such default is declared by the lender(s).

* Upon request, seller will provide buyer with its fiscal year end audited financial statements within 120 days after seller's fiscal year end. In the event seller's lenders do not require an audit of Seller's fiscal year end statements, a copy of seller's unaudited fiscal year-end financial statements will be accepted. Seller warrants that its books and records shall be true and accurate in all material respects.

* Seller will provide the buyer with its certified annual audit or other similar statement within 180 days after the close of the seller's fiscal year. Buyer will provide seller with a statement, certified by buyer's president or chief financial officer, within 180 days after the close of buyer's fiscal year, certifying that buyer has equity of at least $100,000,000 and annual sales of at least $1,000,000,000. Each party shall keep strictly confidential such information as is provided by the other party. In addition, each party agrees to allow the other or its designee's reasonable access to its production/processing facilities so as to verify a party's performance hereunder and provided that such inspection is made after reasonable prior notice and that such inspection does not unnecessarily interfere with the production/processing operations of the parties.

* Within five days of seller's written request, buyer shall provide to seller any data used by buyer in making the computations provided under this agreement.

* Seller agrees to furnish buyer necessary credit information and documentation upon request.

* Seller agrees to maintain the ability to send and receive all information electronically including, but not limited to harvest data, production data, projected and scheduled deliveries, through a computer system with email and internet access.

* All records regarding origin, health treatment, or feed are subject to third party audit.

* Seller will maintain books and records to document and verify the performance of its obligations hereunder. Such books and records shall include, but not be limited to, production records. In addition seller will maintain annual cash flow statements, annual balance sheets and its annual income tax return. Seller agrees to make such records available to buyer in the event of the breach of this agreement by seller. Further, buyer may request such documents as a condition of entering into CME hog futures contracts pursuant to specified exhibit.

* The method of recordation will be standardized with guidelines provided to the produce

* Seller shall provide to buyer on or before January 31 of each year of the term of this agreement, financial information with respect to seller, including seller's balance sheet and all supporting schedules thereto, showing seller's net worth and all components of such net worth.

* Seller agrees to provide buyer on request information relating to its production management practices. Seller understands that if its production operations do not conform with appropriate production, quality and management practices under the program, or if there are any violations of animal welfare laws, that buyer may (i) require the seller to cure such deficiencies, (ii) suspend deliveries of hogs if deficiency not cured; or (iii) terminate this agreement for a deficiency or failure to cure. If buyer audit program requires monitoring equipment or other program requirements beyond reasonable industry or customer standards, buyer will reimburse seller for cost and implementation.

* Seller acknowledges that buyer maintains an audit program to monitor seller's practices. Seller agrees that it will comply with such program and will permit (including any designated third party entity hired to perform production audits) a reasonable number of telephone interviews and visits to seller's facilities during normal operating hours to review, observe and monitor seller's practices. Such interviews and visits will not unreasonably interfere with the operation of such facilities, and in conducting such visits will follow standard industry practices to maintain bio-security. Seller agrees to provide on request information relating to its production management practices. Seller understands that if its production operations do not conform with appropriate production, quality and management practices under the program, or if there are any violations of animal welfare laws, that may (i) require the seller to cure such deficiencies, (ii) suspend deliveries of hogs if deficiency not cured; or (iii) terminate this agreement for a deficiency or failure to cure.

* Seller agrees to provide full financial disclosure at the request of buyer. Based upon financial information received, buyer reserves the right to determine the length and quantity of positions, if any, that an individual seller may execute for future delivery. Items subject to request: a. Financial statement b. Ratios c. Bank Letter of Credit d. Operating line (amount/ length) e. Hedge line f. Balance of credit lines g. Collateral h. Accounts Payable i. Q & A with bank. Please be advised that IPC will handle all the above mentioned information with confidential status.

* Seller must at all times be able to demonstrate its financial soundness to buyer and to provide evidence thereof upon the request of buyer. Seller agrees to execute and deliver to buyer from time to time, as requested by buyer in its discretion, such security agreements, financing statements under the Uniform Commercial Code and other instruments as may be necessary or appropriate to grant buyer a security interest in tangible assets of seller. The difference between the fair market value of such tangible assets and the liabilities of the seller (net tangible assets) shall be sufficient to secure seller's obligations to repay the deficiency account under this agreement. Such security interest shall be on written terms reasonably satisfactory to buyer.

* Seller will maintain books and records to document and verify the performance of its obligations hereunder, and such books and records shall be in a format reasonably specified by Buyer. Such books and records shall include, but not be limited to, Pig Champ production records and such records as reasonably requested by buyer. In addition seller will maintain annual cash flow statements, annual balance sheets and its annual income tax return. Seller will allow buyer, during seller's regular business hours, to review and copy such books and records. Further, seller will provide buyer with an annual cash flow statement and an annual balance sheet, on or before June 1st of each year, and with a copy of its annual tax return, within 30 days after the filing of such return. In addition, seller shall provide to buyer, within 30 days of buyer's request, a cash flow statement and balance sheet. Such financial statements shall be current through the date of buyer's request. Seller warrants that

all such books and records shall be accurate, true and correct. Seller shall maintain, at all times, its financial condition so that it meets or exceeds seller's financial condition as set forth in seller's application for this agreement.

* Seller agrees to allow the common hog's industry audit to be conducted by a third party auditor. Seller agrees to provide the third party auditor with access to the necessary records, documents, relevant information, buildings, facilities, caretakers, and animals to conduct the audit, provided that the third party auditor complies with seller's biosecurity requirements. The cost for the third party auditor to conduct the common hog's industry audit shall be paid by buyer.

* To allow us to inspect all of seller's production and financial records relating to this agreement during normal business hours on reasonable notice.

* Seller, or seller's auditor as specified in specified section, will be provided with reasonable access to relevant records of buyer which are necessary to audit the accuracy of payments made to seller (including premiums and discounts) hereunder during normal business hours so long as prior notice is given to buyer, and provided that such visits do not unreasonably interfere with buyer's corporate operations.

* There must be a record of breeding stock source, location of birth, nursery, growing, and finishing. Records will be retained for 1 year.

* Seller agrees to provide, upon buyer's request, a statement of production efficiencies and future hog flow projections (including, but not limited to, sow herd size, conception rate, farrowing rate, nursery death loss, finisher death loss, average daily gain, and herd health history), as well as other production data prepared by or for the seller during the normal course of seller's business

* All of the documents that you use to record everything required by the procedures above will be reviewed during you supplier evaluation. If you decide to change a document used to record information required by the above procedures, it will be reviewed during onsite evaluations to ensure the information collected continues to meet the requirements

* Seller shall provide buyer on a quarterly basis during each annual year of this agreement (but not later than sixty (60) days from the end of any quarter), with copies of its financial statements (certified, if available) showing seller's income, expenses, assets, liabilities and working capital. Buyer shall be entitled to inspect, at reasonable times and upon reasonable notice, the financial books and records of seller. Seller shall be required to provide buyer, upon demand, with evidence satisfactory to buyer of seller's ability to continue to be operational for the term of this agreement.

* Buyer shall be entitled to inspect, at reasonable times and upon reasonable notice, the financial books and records of seller. Seller shall be required to provide buyer, upon demand, with evidence satisfactory to buyer of seller's ability to continue to be operational for the term of this agreement.

* Facilitator shall provide buyer with current and correct copies of all agreements that it maintains with sellers arising from or related to facilitator's obligations under this agreement. Facilitator shall obtain from each such seller an Irrevocable Power of Attorney granting facilitator the right to act on the seller's behalf with regard to the hogs purchased pursuant to this agreement and shall provide buyer with copies of all applicable agreements and Powers of Attorney. Further, facilitator shall promptly notify buyer of any cancellation or termination of

any applicable agreements or Powers of Attorney.

* Seller shall supply buyer, upon request, with the name, address and telephone number of each hog grow-out facility and sow farm producing or housing hogs being sold under this agreement. Buyer and/or its representatives shall have the right to visit and inspect such sites upon reasonable notice and at reasonable times. The times between 8:00 a.m. and 4:00 p.m. shall be deemed to be reasonable times for inspection, provided buyer provides seller with at least twenty-four (24) hours' prior notice of its intended inspection. Buyer shall adhere to all reasonable biosecurity policies set forth by seller for the facilities being inspected.

Business Practices - Relationship of Parties

* Buyer and seller are each independent contractors and seller, its agents, and employees shall not be construed to be the employees of buyer for any purpose whatsoever. This agreement does not constitute any form of joint venture. Each party has the sole right to conduct his operation as it sees fit, provided only that such conduct is not to be In conflict with any of the provisions of this agreement.

* This agreement shall not be construed as creating any joint venture, partnership, or any other such relationship or association between buyer and seller. This agreement has been entered into at arm’s length between buyer and seller for the sole purpose set forth herein. Seller’s sole relationship to buyer under the terms of this agreement shall be that of an independent contractor. Seller shall not be subject to the control or direction of buyer, including, but not limited to, the details and means by which the results of seller are to be accomplished, including any operational, financial, environmental or legal requirements associated therewith. Neither party hereto may represent that this agreement creates any partnership, agency relationship or representation of the other. Nothing contained herein shall authorize or permit either party to create or incur any liability or responsibility on the part of the other party for any debt, engagement, or default. Neither seller, its agents, employees nor subcontractors shall be deemed or considered for any purpose to be an employee or agent of buyer. Neither buyer, its agents, employees nor subcontractors shall be deemed or considered for any purpose to be an employee or agent of seller.

* Buyer and seller agree that the relationship between them is that of independent contractors. Nothing in this agreement shall constitute either seller or buyer as agent, representative, partner, joint venture or employee of the other party. Neither seller nor buyer shall have, nor shall either represent itself as having, any right, power or authority to create any contract or obligations, either express or implied, on behalf of, in the name of, or binding upon the other party, or to pledge the other's credit or to extend credit in the other's name unless the other party shall provide advance written consent thereto.

* Seller warrants that it or its affiliates have good and marketable title to all hogs delivered to buyer hereunder. Certain hogs delivered under this agreement may be delivered from seller production facilities that are owned by third parties. Seller agree that buyer has no relationship with the owners of such seller production facilities, and buyer's only obligations are to purchase hogs from seller pursuant to the terms of this agreement. Seller further agrees to protect, defend, indemnify and hold buyer harmless from and against any and all claims, actions, liabilities, losses, costs and expenses, including reasonable attorney’s fees and costs, arising out of any actual or alleged claim brought by the owner or operator of any such seller production facilities or any third party claiming an interest in the hogs delivered from such seller production facilities.

* Facilitator does not produce hogs and will not sell hogs for its own account hereunder. Facilitator is a market agency for the benefit of hog sellers who raise hogs and wish to market and sell such hogs through facilitator under the terms of this agreement. Facilitator has the authority to act as the agent for all sellers delivering hogs under the terms of this agreement, and facilitator has an agency agreement in the form of attached specified schedule with all sellers delivering hogs under this agreement. Attached specified schedule contains a list of all sellers that have executed an agency agreement and provides the approximate annual commitment of hogs each seller will deliver under this agreement. Specified schedule can be reasonably amended by facilitator in writing so long as the total number of hogs to be delivered annually by all sellers listed on specified exhibit equals the annual production specified below. Facilitator will provide buyer with a copy of each executed agency agreement for any seller listed on specified schedule and delivering hogs under the terms of this agreement.

* Buyer, seller and facilitator agree that facilitator is not a buying agent or dealer for buyer.

* Facilitator is not a buying agent or dealer for buyer and has no obligations or loyalty to buyer beyond the obligations identified under this agreement. Under this agreement, facilitator purchases market hogs from individual sellers and resells those market hogs to buyer. Regardless of any contractual relationship between such sellers and facilitator, however, facilitator will remain liable to buyer for full performance of all obligations under this agreement, including without limitation, delivery of the entire quantity of hogs called for under this agreement.

* Facilitator is a market agency for the benefit of sellers. Facilitator is not a buying agent or dealer for buyer and has no obligations or loyalty to buyer beyond the obligations identified herein as a market agency on behalf of the sellers to sell and deliver market hogs to buyer. Facilitator will fulfill its obligations to buyer by assigning portions of its hog delivery obligations to sellers.

* The parties are independent contractors, with neither party in any way the legal representative or agent of the other party. Neither party has any right or authority to act for or bind the other party in any manner. [Facilitator is a market agency for hog sellers, and not buyer.]

* Nothing contained herein shall be deemed or construed by the patties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint ventures, or any other similar such relationship, between the parties hereto. All of the agreements, terms and conditions to be observed and performed by the patties hereto shall be applicable to and binding upon the parties hereto and their respective heirs, executors, personal representatives, successors and permitted assigns; [provided, however, that seller may not assign any of its duties and obligations hereunder without the prior written consent of buyer. Buyer may assign this agreement at any time.]

* It is mutually understood and agreed that buyer, seller, and facilitator are at all times independent contractors. The relationship between buyer, seller, and facilitator is that of an independent contractor. Other provisions of this agreement shall not be interpreted to conflict with the intent of the parties that the status of buyer, seller, and facilitator shall at all times be and remain that of an independent contractor. Nothing contained within this agreement shall be construed as appointing or authorizing either party (its agents, employees, or representatives) to represent the other in any matter.

* Seller is an independent contractor of buyer, and nothing in this agreement shall be construed to create or constitute a partnership, joint venture, or any other agency or employment relationship between the parties hereto. Neither party is authorized to enter into any agreement on behalf of, assume any obligation for, or

otherwise bind the other party financially or otherwise; nor is either party responsible for the obligations of the other party, including but not limited to tax obligations and labor obligations to the other's own employees such as their employment termination, wage/salaries, benefits, vacation pay, and the like.

* This agreement is a supply and pricing agreement. Buyer and seller are each independent contractors and seller, its agents or employees, shall not be construed to be the employees of buyer for any purpose whatsoever, nor does this agreement constitute any form of joint venture. Any compensation due seller under specified section above shall constitute the sole and entire payment due seller for its performance hereunder.

* The parties will at all times be independent contractors. Neither party will have any right, power or authority to enter into any agreement for or on behalf of, or to assume or incur any obligation or liabilities, express or implied, on behalf of or in the name of, the other party.

* The parties are independent contractors. Nothing in this agreement shall create between the parties the relationship of principal and agent, joint ventures, partners or any other similar or representative relationship.

* Agreement calls for the performance of duties by the parties as independent contractors. The parties do not intend to create a partnership or joint venture, and nothing contained in this agreement shall be construed to create a partnership or joint venture between the parties, or to authorize either party to act as agent for the other party. Neither party has any authority to enter into any contracts, assume any obligations, incur any liabilities, or make any warranties or representations on behalf of the other party. Neither party shall have any right to exercise control with respect to the management or affairs of the other party or share any ownership interest in the property of the other party.

* Facilitator is a marketing cooperative for the benefit of sellers. Facilitator will fulfill its obligations to buyer by arranging deliveries of facilitator cooperative seller hogs to fulfill its hog delivery obligations to buyer. Facilitator does not have the right to assign this agreement or any of its rights or obligations under this agreement without buyer's prior written consent. Attached as specified exhibit and incorporated by reference hereby is a copy of the addendum to facilitator's contract production and/or procurement agreement which facilitator is using with its sellers supplying hogs pursuant to this agreement. Facilitator represents and warrants that the agreement will be and is in substantially the same form as the agreement entered into between facilitator and each of the sellers delivering hogs to buyer pursuant to this agreement.

* Seller has binding legal contracts with the owners and/or operators of the other facilities contained on the designated production facilities list, the locations of which are set forth in specified exhibit from which seller and contract sellers shall produce hogs to be delivered and sold to buyer. Buyer acknowledges that at the time this agreement is executed, seller has not contracted with a sufficient number of designated production facilities to meet seller's delivery requirements hereunder. Notwithstanding the foregoing, by specified date, seller shall contract with a sufficient number of designated production facilities capable of satisfying seller's delivery obligations hereunder. Seller shall also notify buyer of the identity of all designated production facilities by specified date.

* The parties agree that seller shall endeavor to work exclusively with buyer as a packer partner east of the Mississippi River for the next 6 months, at which time the parties will review this provision and decide to either extend or terminate it. This section shall In no way limit seller's right to work with suppliers that market to other packers If 1) buyer has passed on such business after being given an adequate opportunity to pursue it, or 2) such business Is obtained by seller and after such supplier's hogs have already been committed to another

packer as a result of such supplier seeking seller's services. Further, as a point of clarification, any volume added to buyer as part of this arrangement shall not count towards the agreement Volume.

Business Practices - Review or Renewal

* The term of this agreement is specified years. Either party may extend the initial or any subsequent term of this agreement by providing written notice to the other party no later than six (6) months before the expiration of the initial or any extended term of this agreement. Any extension of the term of this agreement shall be for a one year period. There may be successive extensions.

* Seller and buyer agree to meet at least annually to discuss the status of this agreement and any other issue related to this agreement or matter mutually beneficial to the parties.

* This agreement may not be changed or amended, except by a writing signed by both parties hereto. [No waiver of any of the provisions of this agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.]

* The term of this agreement is specified years. If notification to terminate is not received an automatic one (1) year renewal will apply. There may be up to five (5) consecutive one (1) year renewals

* The agreement may only be amended by a written document duly executed by the parties hereto.

* Because of the length of the term of this agreement and the inability of the parties hereto to predict changes in the market for pork, government regulations or other factors that may significantly affect the pork industry and this agreement, seller agrees to accept and be bound by any amendment to this agreement approved by at least two-thirds (2/3) of the Board of Managers of buyer, provided any such amendment is uniformly applied to all sellers. Notwithstanding the prior sentence, if any provision of this agreement provides for approval of a matter either (i) by a vote of the Members or (ii) by a vote of the Board of Managers in excess of two-thirds (2/3) (in either case, a “Higher Vote”), then amendment of such provision shall require the applicable Higher Vote. Except as specifically provided in this agreement, any other amendment or modification of this agreement shall be in writing and signed by or on behalf of the parties hereto.

* This agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

* During this renewal period both parties have the right to negotiate the terms withheld in this agreement.

* Buyer shall have the right to extend the term of this agreement or any subsequent term of this agreement by providing written notice to seller no later than one hundred eighty (180) days before the expiration of the initial or any extended term of this agreement. Any extension of the term of this agreement shall be for a one year period. Buyer shall have the right to five (5) one year extensions of this agreement.

* The renewal period will begin sixty days prior to the expiration of the annual renewal date.

* The parties will enter into good faith negotiations with respect to extending the agreement or entering into a new agreement commencing on or about thirty (30) months prior to the expiration of the term. However, nothing in this section shall obligate a party to agree to any such extension or new agreement.

* This agreement shall continue and remain in full force and effect for a period of specified time from specified date through specified date. This agreement shall automatically renew for subsequent one year terms unless one of the parties provides the other party written notice of their desire not to renew this agreement at least 6 months prior to the expiration of the initial term or any subsequent term. In the event that the agreement is renewed for a subsequent term(s), seller shall produce hogs in the quantity set-forth in specified section for the fiscal year ending specified date.

* No change, modification or amendment of this agreement shall be valid or binding upon the parties hereto unless such change or modification shall be in writing and executed by both of the parties.

* In the event of any change in any law or regulation which requires buyer to purchase a minimum percentage or quantity of hogs in the spot market or otherwise not pursuant to agreements or buyer's own operations, buyer and seller shall in good faith engage in discussions to amend this agreement or to restructure the relationship to enable buyer to comply with all applicable laws and regulations.

* Agreement automatically renews for an additional year unless written notice of termination is given by one of the parties sixty days in advance of the anniversary date of the agreement.

* Except as specifically provided in this agreement, any amendment or modification of this agreement shall be in writing and signed by or on behalf of the parties hereto.

* Except as specifically provided in this agreement, any amendment or modification of this agreement shall be in writing and signed by or on behalf of the parties hereto.

* The parties shall meet and conduct semi-annual business reviews at a mutually agreeable time and location. The business reviews shall be attended by representatives from various functional areas of each party's business mutually agreed upon by the parties, which representatives may vary from meeting to meeting.

* Buyer hereby fully and forever releases and discharges seller and its subsidiaries, parents, and affiliates, past and present, as well as their directors, officers, employees, agents, stockholders, representatives, predecessors, successors, or assigns, past or present, and each of them, and all other persons, firms, or corporations liable or who may be claimed to be liable, none of whom admit any liability to the undersigned but all of whom expressly deny any liability, from any and all obligations, claims, demands, liabilities, and causes of action, known to buyer, as of the date of this agreement, in agreement or in tort, contingent or liquidated, arising out of the agreement. Buyer's obligations under this section are contingent upon seller execution of the new agreement and full performance of that agreement. Nothing herein is intended to release seller from any of the terms of the

new agreement.

* These terms may be reviewed periodically. The agreement will automatically renew for an additional year if not terminated with more than six months of notice.

* This agreement may be amended or supplemented only in writing by the parties, and not by any course of dealing or prior performance.

* During the initial term of this agreement or any extension thereof, either party may provide written notice to the other party of its intent not to agree to any further extensions of this agreement. In the event such a notice is received, there shall be no further extensions of this agreement. Any such written notice shall be sent no later than six (6) months before the expiration of the initial or any extended term of this agreement. Such a written notice of a party's intent not to agree to a written extension of this agreement shall be effective, even if the other party has sent notice of its intent to renew this agreement.

Business Practices - Specific Performance

* Buyer agrees and understands that seller's acceptance of the agreement price as set forth in specified section of this agreement is made in reliance on buyer's promise to perform under this agreement for the entire term of this agreement.

* Facilitator will remain liable to buyer for full performance of all obligations under this agreement, including delivery of the entire quantity of hogs called for under this agreement by facilitator's sellers.

* Seller agrees and understands that buyer's payment of the agreement price as set forth in this agreement is made in reliance upon seller's promise to perform under this agreement for the entire term of this agreement.

* The parties hereby acknowledge and agree that they are obligated to and shall act in good faith in performing and enforcing the rights under this agreement.

* The non-defaulting party shall have the right to seek specific performance of any obligation due from the defaulting party.

* The parties agree that irreparable damage would occur if any provision of this agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

* Seller is bound by and must comply with all terms and conditions of the agreement, which is incorporated herein by reference. Seller is required to deliver the type and quality of hogs as required by the agreement, including without limitation the specific requirements and obligations contained in specified section of the agreement. Seller covenants and represents that it will perform all duties and obligations under the agreement with respect to seller's hogs.

* In the event that a party had reasonable grounds to believe that the other party's ability to perform under this agreement is impaired, then such party may in writing demand from the other party adequate assurance of due performance, and such party may suspend its performance under this agreement, if commercially reasonable to

do so, until such adequate assurance is provided by the other party. If the other party fails to provide such adequate assurance within a reasonable time, not to exceed 30 days, then such party may terminate this agreement.

Business Practices - Third Party Beneficiary

* Seller acknowledges and agrees that buyer is an intended third party beneficiary of this addendum.

* This agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this agreement. [Notwithstanding the foregoing or anything else in this agreement, the parties acknowledge and agree that buyer shall be an intended third-party beneficiary of all the rights and benefits of any agreement between facilitator and seller arising from or relating to facilitator's obligations under this agreement. Further, buyer shall have the right to enforce such agreements between seller and facilitator to the same extent as facilitator.]

* On behalf of sellers, buyer will pay facilitator per hog for all hogs sellers deliver to buyer under this agreement that meet the requirements of this agreement (Commission). Buyer will pay this commission on a daily basis, with the payment being made concurrently with payment to sellers for hog carcasses. Facilitator is not entitled to a Commission whenever facilitator or any seller is in default.

* The rights of facilitator under this agreement, including the rights of indemnification and warranty, are for the benefit of buyer, and buyer will be deemed an intended third party beneficiary under this agreement, regardless of whether buyer has signed this agreement. Unless otherwise expressly stated in this agreement, with facilitator prior written consent, buyer may enforce the rights provided to it or facilitator under this agreement. The parties specifically agree that they intend that buyer be able to enforce its rights as to this agreement even if the agreement is terminated due to facilitator default of the agreement.

Business Practices - Transfer of Title

* Seller warrants, upon each delivery of hogs to occurring hereunder, that seller has (i) good and marketable title to all hogs delivered to plant, (ii) provided to prior to delivery of the hogs to the names and addresses of any person, corporation, partnership, or other entity which has a lien interest in or on the hogs, or (c) provided to prior to delivery lien releases executed by any lienholders on hogs delivered to buyer.

* Title shall pass to buyer after final grading. All death loss and condemnations shall be the seller's responsibility. A copy of the final grading sheet will be sent to seller.

* Title and risk of loss on the hogs shall pass from seller to buyer upon slaughter of the hogs at buyer's plant.

* Title to and risk of loss as to each hog shall pass from seller to buyer after weighing of the carcass at the hot weight scale at the plant. DOA's or other hogs dead prior to slaughter will not receive a value. Condemned hogs will not receive a value.

* The hogs supplied under this agreement will be sold F.O.B. destination, and title to hogs and risk of loss of hogs pass from seller to buyer at buyers plant as specified in buyer's carcass buying program.

* Ownership of and liability and responsibility (including risk of loss) for all hogs to be supplied by seller for purposes of this agreement shall remain with seller until such time as the carcasses of the hogs are weighed, graded and accepted by buyer at buyer's plant, or such other locations as shall be designated by buyer. Any hogs not alive at the time of stunning (electrical or other) at the plant shall be deemed to be rejected by buyer, and buyer shall not be required to make any payment whatsoever therefor.

* Ownership of, risk of loss of, and liability and responsibility for, all hogs to be supplied by seller for purposes of this agreement shall remain with seller until such time as the carcasses of the hogs are weighed, graded and accepted at buyer's facility, or such other locations as shall be designated by buyer, at which time ownership of the hogs shall transfer to buyer. Any hogs not alive prior to stunning at buyer's facility shall be deemed to be rejected by buyer and buyer shall not be required to make any payment whatsoever therefor, and at buyer's option, the cost of disposal of the deceased or rejected hogs shall be borne by seller. Buyer shall provide proper care for seller's live hogs while in buyer's facility. If hogs are held for an extended period of time due to unforeseen circumstances such as severe weather or mechanical breakdown, seller may be required to remove hogs from buyer's facility for delivery to another slaughter facility or receiving point. In the event that hogs are held in buyer's facility for a time longer than customary due to circumstances caused by buyer, buyer shall be responsible for the value of any hogs that expire in the pens when held beyond a customary holding time.

* All hogs purchased hereunder shall be delivered by seller, freight prepaid by seller (subject to the provisions set forth in specified section), to slaughter facilities, [designated from time to time by buyer]. Title to and risk of loss of the hogs shall pass from seller after weighing of the carcasses at the hot weight scale at such slaughter facility. For purposes of this agreement, delivery means the unloading of the hogs with the freight charges paid by seller from seller's designated production facilities. [Deliveries of hogs shall be made as specified by buyer, including deliveries on Saturdays and/or Sundays.]

* Ownership of, and liability and responsibility (including risk of loss) for all hogs to be supplied by seller for purposes of this agreement shall remain with seller until delivery of the hogs to buyer’s plant. Any hogs not alive at the time of unloading at buyer's plant shall be deemed to be rejected by buyer, and buyer shall not be required to make any payment whatsoever therefore.

* The transfer of title as to hogs shall pass from seller to buyer after the hot carcass scales. The transfer of title as to non-qualifying hogs shall pass from seller to buyer after such hogs enter the designated processing facility.

* Title to and risk of loss of the hogs shall pass from seller after weighing of the carcasses at the hot weight scale at the slaughter facility. Buyer shall pay seller in full before the close of the first business day after slaughter. All payments shall be by mail to seller's offices. Payments shall be deemed made when received at seller's offices. If any liens on the hogs exist at the time of delivery, buyer shall jointly pay seller and such lien holders, provided buyer is on notice of any such liens.

* Notwithstanding anything to the contrary herein, the parties agree and intend that the sale and purchase date for the hogs is the date that the hogs are physically delivered to the location and receipt of such hogs is acknowledged by buyer. Title to, and risk of toss for, the hogs shall pass from seller top buyer at determination of hot carcass weight.

* Title and risk of loss on the hogs will pass from seller to upon the slaughter of the hogs at plant. Notwithstanding the above, seller will be responsible for the costs incurred by buyer that are associated with any carcasses that contain drug residue or are adulterated in any other manner (provided the adulteration is due to seller).

Facilities - Processing Facilities

* Seller agrees to make all deliveries of hogs under this agreement to the designated facility. Buyer to accept deliveries of hogs at the designated facility, subject to the terms and conditions of this agreement.

* Hogs will be scheduled by seller to the buyer plant located closest to the hog finishing site where the specific loads originate (scheduled plant) no later than Wednesday 11:59 a.m. preceding the next delivery week. Delivery date and time will be mutually agreed upon between buyer and seller.

* All hogs sold by seller shall be delivered F.O.B. to the buyer specified facility unless otherwise agreed to in writing.

* Seller agrees to deliver the hogs to the delivery plant(s) designated below. Seller has indicated its choice by checking next to the chosen option: Specified Locations

* Seller agrees to deliver the hogs to the delivery plant(s) designated: Specified locations. The parties may agree, from time to time, to change the quantities and delivery dates contained in this delivery schedule. In this event, seller and buyer will complete and sign a new delivery schedule and attach it to the original agreement.

* Seller agrees to make all deliveries of hogs under this agreement to the designated facility. Buyer agrees to accept deliveries of hogs at the designated facility, subject to the terms and conditions of this agreement. Buyer agrees to cooperate with seller in developing a schedule for the delivery by seller of hogs taking into account the processing capacities and requirements of the designated facility. Buyer and seller shall agree on a date and time for delivery of each lot that is not more than fourteen (14) days before the hogs will be slaughtered and not later than the Wednesday of the week before the hogs will be slaughtered. Seller agrees to use its best efforts to comply with such schedule. Seller shall use its best efforts to deliver each week approximately 1.92 of seller's annual quantity of hogs. Seller hereby acknowledges that buyer may adjust the delivery schedule of hogs to the designated facility or change the number of hogs to be delivered in any given week to accommodate downtime, decreased capacities, or Saturday operations at the designated facility.

* Seller shall make all deliveries to the slaughter facility requested by buyer and as provided in specified section of this agreement at any time as requested by buyer. Seller is obligated to deliver qualifying hogs in the amounts set forth below.

* Buyer shall use its reasonable business judgment in designating the designated processing facility to be used by seller to deliver hogs under this agreement based on the geographic proximity of seller's facilities and other hogs available to buyer.

* Hogs must be delivered to buyer's specified plant or to a delivery point designated by buyer during the specified delivery period on a date acceptable to buyer.

* Buyer and seller agree to deliver the hogs to the delivery plant(s) designated in each seller agreement.

* Seller agrees to deliver and unload all hogs under this agreement to the designated facility. Buyer agrees to accept deliveries of hogs at the designated facility, subject to the terms and conditions of this agreement.

* Designated processing facility shall mean and refer to buyer's hog processing facility.

* Location means buyer's harvest facilities.

Facilities - Production Facilities

* Raise hogs in facilities that meet the current accepted standards for raising improved genetic animals under nutrition and management programs for maximization of quality lean meat.

* Seller must allow buyer to review and approve the following aspects of its hog production operation at the commencement of this agreement and any changes seller makes to these aspects:(1) A genetic program capable of producing lean, uniform sorted hogs that consistently meet buyer's requirements; (2) facilities to farrow and finish hogs year round and/or sources of weanling and/or feeder pigs; (3) A balanced nutritional swine diet where the hogs' minimum requirements are met. All feed ingredients in the swine ration must contain only ingredients or products that are USDA/Food and Drug Administration (FDA) approved for use in food animals. The feeding program must also follow buyer' written recommendation on feeding of dried distiller's grains with solubles (DDGS). Buyer may in its sole discretion change the DDGS policy by providing written notice to seller; (4) A cost and recordkeeping system; and (5) A tracking system to comply with COOL.

* All hogs delivered under this agreement shall be raised in accordance with the provisions of this agreement. Any production facilities not owned or not operated by seller shall be subject to a written agreement between seller and the owner of the respective production facility that requires the seller's pigs be raised in a manner that substantially complies with this agreement.

* Seller understands and agrees all facilities that sows for the production of hogs under this agreement are required to, and shall, utilize open pen gestation (“OPG”). OPG is understood and agreed to mean allowing sows: to lie down without lying on equipment or another sow, to stand and turn around freely, and to socialize with at least one other sow. Sows may be kept in gestation stalls for a maximum of forty-two (42) days post-breeding; however, upon confirmation of pregnancy sows must be moved to OPG housing.

* Seller will use its best efforts to install open pen gestation systems for 5000 of seller's sow herd by the third annual anniversary of the date of this agreement, with the installation to occur on a prorata basis during the initial three (3) years of this agreement. An open pen gestation system is defined as a system of pens that allow gestating sows to stand up, lie down and turn around without touching the sides of the enclosure. Notwithstanding this definition, it is agreed by buyer and seller that gilts and sows can be kept in gestation stalls or individual maternity pens until the gilt or sow is confirmed to be pregnant. Nothing in this subparagraph shall prevent moving a pregnant gilt or sow to individual housing for health reasons.

* Seller owns, operates, or has under contract (which contracts are and shall be in writing and materially consistent with seller's currently existing production management contract practices) hog production facilities in the specified geographic region together with equipment and structures used in connection therewith from

which seller shall produce hogs to be delivered and sold to buyer, and which buyer agrees to purchase in accordance with the terms hereof. Annually, seller will provide a list of the facilities at which hogs to be delivered to buyer will be produced and will promptly notify the buyer of any material change in the control of the facilities. A list of seller's current facilities is set forth on specified exhibit.

* Production facility and production facilities shall mean each hog production facility and all the hog production facilities in which Seller raises its hogs, which facilities may be owned by seller and/or by affiliates of Seller and/or third parties who provide a facility or facilities under a contract with seller.

* Seller requires hogs and breeding stock be provided appropriate and adequate housing as related to square footage and facility type and design.

* Hogs shall be produced solely from seller's sow herd located at the designated production facilities, and the hogs shall be produced solely at the designated production facilities.

* Loose sow housing unit means a sow housing unit where, after a gilt/sow has been confirmed pregnant, for the balance of the gestation such gilt/sow is housed in a manner to allow it the option to turn around. Seller may temporarily allow certain exceptions to loose sow housing for an individual animal for a limited number of reasons, such as providing individual feeding stations/stalls, providing care or treatment to an individual animal, or for the safety of an individual animal.

* Buyer may change the definition of loose sow housing unit if buyer determines, in its sole discretion, that an industry standard practice or definition emerges with respect to loose sow housing that differs from the definition of loose sow housing unit included herein. If buyer determines to change the definition of loose sow housing unit, buyer will provide seller at least one year written notice of such change prior to such change becoming binding on seller. If seller cannot or will not make the changes required to meet the changed definition of loose sow housing unit, seller will inform buyer of such fact in writing immediately upon determination, and, in such event, this addendum (and this addendum only) will terminate.

* Development of a detailed plan to transition all of seller's sow farms to alternative gestation housing, as defined by the specified standards by the year 2022. Plan must be delivered within a year of the date of this agreement in order to remain eligible for this program. Any changes or updates to this statement must also be received in a timely manner from the time a decision is made. If seller does not meet his submitted timeline without any further notice to buyer, seller may be removed from the program in accordance with specified item below.

* Provide suitable buildings and equipment to house and care for the hogs covered by this agreement.

* During the term of this agreement, seller shall not sell, abandon or otherwise dispose of any of the designated production facilities, except that seller may pledge or mortgage the designated production facilities to a bona fide third party lender.

* Buyer may request that seller modify or improve the facilities or otherwise modify its production processes based on product marketing considerations, including, without limitation, those relating to animal welfare, food safety and pork quality, and seller will use its best efforts to fulfill such request, provided, in the event buyer requests such changes, any incremental changes in the costs shall be reflected in an adjustment to the price. Seller agrees to comply with the certification requirements.

* Sows used to produce pigs that are delivered to buyer as program hogs must reside at facilities that do not use gestation crates beyond the date sows are confirmed pregnant.

* Seller shall maintain buyer approved facilities to finish year-round the hogs to be delivered hereunder.

* Designated facility shall mean and refer to buyer's hogs processing facility in specified location.

* There will be no material change in respect to the location, management practices, or operation of the facilities without the prior written consent of buyer, such consent not to be unreasonably withheld. For the avoidance of doubt, changes of employees and routine modifications to seller's grower guidelines shall not be considered a material change in operation of the facilities. · Seller shall operate all facilities in accordance with this agreement and generally accepted industry standards. Seller will periodically allow buyer's employee(s) or third party auditors in the facilities to observe the production, handling and processing of hogs, and to verify seller's performance of its obligations hereunder, so long as prior notice is given to Seller and provided that such observations do not unreasonably interfere with the operation of the Facilities, including any applicable biosecurity measures. Seller may require all such persons inspecting its facilities to adhere to its biosecurity and confidentiality protocols and policies.

* Seller currently owns and/or operates quality hog production facilities from which seller shall produce hogs to be delivered and sold to buyer.

* Seller will use its best commercially reasonable efforts to notify buyer of any production issues that would be likely to materially reduce seller's ability supply hogs to buyer under this agreement. If such a notice is provided and if seller reasonably determines that such issues would prevent seller from meeting the minimum delivery requirements set forth above, then seller may, with buyer's consent, which consent shall not be unreasonably withheld, purchase weanling or feeder pigs of substantially equivalent genetics to seller's own herds from third parties (third party pigs). In such event, seller shall provide buyer written notice of (a) when the third party pigs were purchased; (b) where, and in what facilities, the third party pigs were purchased; (c) the production facilities where the third party pigs are sourced; (d) the estimated marketing period dates of the third party pigs and (e) the positive identification of each third party pig sufficient to allow the buyer to track the replacement hogs throughout processing. Other than the fact such third party pig will not be farrowed at designated production facilities, and may be of substantially equivalent genetics, the third party pigs shall be hogs as defined by this agreement and shall be subject to all the other provisions and requirements related to hogs set forth in this agreement. In the event that seller has satisfied its hogs delivery requirement, seller may use third party pigs for excess hogs, provided seller does not exceed the maximum delivery numbers as specified in this agreement.

* During the term of this agreement, seller shall maintain the facilities in good working condition and repair. Seller shall use its best efforts to produce hogs with an average annual live weight of 280 pounds. Seller shall have an environmental plan for the facilities that meets or exceeds all governmental requirements in regard to the protection of the environment.

* All hogs or excess hogs delivered under this agreement shall be from the designated production facilities owned or operated by seller. In the event that hogs or excess hogs are delivered from designated production facilities not owned or operated by seller, then such facilities shall be subject to a written agreement with seller obligating that facility to substantially comply with the production management practices of those designated production facilities that are owned or operated by seller. No material change shall be made in respect to the

location, management practices, or operation of the designated production facilities without the prior written consent of Buyer, such consent not to be unreasonably withheld. All designated production facilities shall be materially consistent with all the production practices required by buyer. [If necessary to meet the delivery requirements of specified section of this agreement, seller may, from time to time, add facilities to the list of designated production facilities (additional designated production facilities). Seller shall notify buyer on an annual basis of their desire to add any additional designated production facilities. At such time, buyer shall have the option to approve or deny the proposed additional designated production facilities, such approval not to be unreasonably withheld. Furthermore, seller shall promptly provide Buyer any information requested regarding the additional designated production facilities prior to such approval or denial. Upon approval, the additional designated production facilities shall be considered designated production facilities for the purposes of this agreement. Nothing in this article shall relieve or waive seller's obligation to deliver the specified number of hogs identified in specified section of this agreement.]

* Buyer requires program hogs and breeding stock be provided specific housing relative to square footage and facility design in order to comply with specialty program requirements. Sows must be housed in open pen gestation facilities as specified in the program and/or AHC standards. Seller understands that buyer may market products to consumers based on specific production claims and that seller may not alter its production system without the written approval of buyer. Failure to follow all program guidelines may result in termination of this agreement.

* Except as provided herein, all hogs delivered under this agreement shall be farrowed at the designated production facilities. No material change shall be made in respect to the location of the designated production facilities without the prior written consent of buyer, such consent not to be unreasonably withheld.

* Facilities shall mean the land, buildings, and equipment owned, leased, or contracted by seller in connection with the housing, care, and feeding of the hogs raised by seller.

* Should the standards established by specified state livestock care board or other entity that would establish production standards, create a variance in square footage allowed for sow/hogs in current production, both parties agree to reestablish the minimum number of hogs required to be purchased/sold each year under specified paragraph of this agreement for the duration of this agreement.

* In addition to the delivery requirements listed in this exhibit, buyer and seller agree to include the production from the specified production facility for a period of three years when it first becomes commercially available. Buyer and seller agree to revise this exhibit by executing an amendment as required by specified section of the agreement.

Facilities - Right to Inspect

* Subject to seller's biosecurity requirements, seller agrees to allow buyer to inspect seller's hogs and facilities during normal business hours on a reasonable notice.

* Buyer grants to seller, its employees, agents and other representatives, including provider, the right to inspect the stockyards, records of animals dying in the yards of the processing facility, defects relating to any lots delivered by seller, scales located at the processing facility and the scale records relating to hogs delivered hereunder, with reasonable prior notice during the term of this agreement. Any such inspections shall not

unreasonably disrupt buyer's operations at the processing facility and shall not be performed by more than three (3) persons at a time. In addition, buyer shall provide seller with such information related to performance of this agreement as seller may reasonably request (including, without limitation, information used to calculate the price). All information and access obtained by seller in connection with the transactions contemplated by this agreement shall be subject to the terms of specified section.

* Upon advance request, seller will periodically allow buyer's employee(s) to inspect a limited but representative number of the production facilities to observe the production and handling of seller's swine located in such production facilities. Such inspections shall not unreasonably interfere with the operation of a production facility or be a burden on seller or disrupt the seller's operations. All such access by buyer's employees shall comply with all seller's biosecurity protocols in force at the time of such inspection.

* Upon reasonable notice and compliance with reasonable biosecurity requests of seller, buyer and/or its representatives shall have the right to inspect the facilities and records to confirm and verify that seller is fulfilling seller's responsibilities of meeting buyer's process verification standards and all applicable health and feeding programs or other production programs. Seller agrees to provide all supporting records and documentation upon request by buyer. Seller shall manage its operation in a manner that conforms to the buyer code of business conduct and ethics, including the portions that relate to animal welfare and compliance with environmental law. Failure to comply will constitute a default of seller hereunder.

* Allow seller (upon adequate prior notification) to follow its hogs through the kill, scaling, and carcass evaluation processes, subject to buyer standard plant safety procedures, upon execution of such waiver, release and/or confidentiality agreement as buyer requires prior to visitor entry.

* Seller shall permit buyer personnel or its designated representative to inspect its facilities, rationing and feeding procedures at any time and from time to time during normal business hours upon reasonable notice to seller, provided that buyer must follow the seller's normal biosecurity procedures, which may include showering in and at least 48 hours away from other pigs prior to their visit.

* Seller will periodically allow buyer's employee(s) in seller's production facilities to observe the production, handling and processing of hogs, and to verify seller's performance of its obligations hereunder, so long as prior notice is given to seller and provided that such operations do not unnecessarily interfere with the operation of said production facilities, including any biosecurity measures.

* Seller shall have the right to visit the plant and see its hogs being killed and processed at buyer's plant. Seller shall provide buyer 96 hour’s notice of such visits. Buyer will also allow seller to conduct routine slaughter checks on its hogs, as needed and requested by seller with seven day’s notice. Buyer or its designated representative shall, subject to all seller bio-security requirements, be permitted to inspect any designated sow unit or proposed sow unit at any reasonable time for the purpose of inspecting the stock) the production facilities, and any records relating to the production and feeding of hogs for sale to buyer.

* Seller grants buyer employees the right of inspection to verify that standards are being met. The foregoing right of inspection shall in no way give buyer employees the right to enter seller property without proper notification and then only upon compliance with all reasonable seller health and safety requirements.

* Seller will operate its facilities in accordance with this agreement and generally accepted industry standards. Seller will periodically allow third party auditors in the facilities to observe the production, handling and processing of its hogs, and to verify seller's performance of its obligations hereunder, so long as prior notice is given to seller not less than forty-eight (48) in advance of a planned visit unless otherwise agreed by the parties and provided that such observations do not unreasonably interfere with the operation of the facilities. Notwithstanding the preceding sentence, if sellers reasonably determines that the animal welfare requirements of this agreement have been violated by sellers, sellers and/or a third party auditor shall have immediate access to the facilities upon notice to Pork seller. All Facilities will be subject to Common Swine Industry Audits as established by the National Pork Board.

* Buyer will periodically allow seller's employee(s) in buyer's plant(s) to observe the handling and processing of the hogs and excess hogs delivered under this agreement, and to verify buyer's performance of its obligations hereunder, so long as prior notice is given to buyer and provided that such inspections do not interfere with the operations of such facilities. [The term “authorized” for this section shall mean consented to one week written notice given to buyer of the capacity of the representative and seller is fully liable for all acts or admissions of representative.]

* Seller grants to buyer, its employees, agents or other representatives, the right to inspect the facilities and to review any related production records and documentation, whether such records and documentation are in the possession of seller or any third party, at any reasonable time during the term of this agreement. Any such inspection shall be conducted in conformance with seller’s sanitation and herd health practices, shall not be performed by more than three (3) persons at a time, and shall not unreasonably disrupt seller’s operations. Any such inspection is expressly limited to the purpose of ensuring compliance with the terms and conditions of this agreement. Seller further agrees to provide for such right of inspection in any contracts relating, directly or indirectly, to the production of hogs that seller may become party to after the date of this agreement. All information and access obtained by buyer in connection with the transactions contemplated by this agreement shall be subject to the terms of specified paragraph hereof.

* Seller will permit buyer a reasonable number of scheduled visits to seller's facilities during normal operating hours to observe and monitor production and quality. Prior notice shall be given to seller and such visits will not unreasonably interfere with the operation of such facilities. Seller agrees to provide buyer on request information relating to its production management practices.

* Facilitators shall cause sellers to represent and warrant that they will operate the facilities in accordance with this agreement and generally accepted industry standards. Facilitator will cause sellers to periodically allow third party auditors in the facilities to observe the production, handling and processing of hogs, and to verify sellers performance of its obligations hereunder, so long as prior notice is given to facilitator not less than forty-eight (48) hours in advance of a planned visit unless otherwise agreed by the parties and provided that such observations do not unreasonably interfere with the operation of the facilities. Notwithstanding the preceding sentence, if buyer reasonably determines that the animal welfare requirements of specified section have been violated by a seller, buyer and/or a third party auditor shall have immediate access to the facilities upon notice to facilitator. All Facilities will be subject to common swine industry audits as established by the National Pork Board.

* Seller grants buyer employees the right of inspection to verify that production conditions are being met.

* During the term of the agreement, immediately upon request, buyer or its representatives may at buyer expense inspect the loose sow housing units from which the qualifying hogs originated, seller's other facilities used to raise hogs sold to buyer, and the hogs located at such loose sow housing units and other facilities. Additionally, buyer and its representatives may at buyer's expense audit seller's books, records and other documents as necessary to verify compliance with the terms and conditions of the agreement and this addendum. Seller will reasonably cooperate with buyer in buyer's exercise of its rights hereunder, including by identifying hogs that seller intends to sell buyer as qualifying hogs.

* Buyer will permit seller a reasonable number of scheduled visits to buyer's plants during normal operating hours to observe the handling and process in delivered under this agreement so long as prior notice is given to buyer, and provided that such visits do not unreasonably interfere with the operation of such facilities. Seller will permit buyer a reasonable number of, scheduled visits to the seller production facilities during normal operating hours to observe the handling and production processes so long as prior notice is given to seller, and provided that such visits do not unreasonably interfere with the operation of such facilities.

* To allow us to inspect seller's hogs and facilities during normal business hours on reasonable notice.

* The seller authorizes the buyer to enter the seller's premises at a prearranged time for the purpose of inspecting said hogs.

* Seller will periodically allow buyer's employee(s) in the designated production facilities to observe the production of hogs, and to verify seller's performance of its obligations hereunder, so long as prior notice is given to seller and provided that such operations do not unnecessarily interfere with the operation of the designated production facilities. Buyer will periodically allow seller's employee(s) in buyer's plant(s) to facilitate and observe the handling and processing of the Market Hogs delivered under this agreement so long as prior notice is given to buyer and provided that such inspections do not interfere with the operations of such facilities.

Facilities - Sale of Facilities/Operation

* If buyer (which includes its subsidiaries or its parent company) sells or assigns its hog processing business, shall assign this agreement to the party that purchases or is the assignee of such hog processing business, with seller consenting to such assignment by its execution of this agreement.

* If buyer closes one or more locations, either temporarily or permanently, the following conditions shall apply; i) if buyer temporarily closes one (1) location, this agreement shall continue. During the period that one location is temporarily closed, seller shall deliver hogs to any open buyer location as directed by buyer. In such event, buyer shall reimburse seller for any incremental transportation costs between the original location and the new location. ii) If buyer temporarily closes all locations, the agreement shall continue. If all locations are closed for more than 3 consecutive business days, seller shall be entitled, after written notice to buyer, to market its hogs elsewhere until one location is reopened. If seller suffers seller losses as a result of such sale, buyer shall pay seller such seller losses. iii) If buyer permanently closes or sells one (1) location, buyer shall use its best efforts to provide seller with four (4) months advance notice of such sale or closure. Upon such notice, seller shall have the right to terminate this agreement, in whole or in part, by delivering written notice to buyer within sixty (60) days after receipt of notice from buyer regarding the closure or sale. A partial termination by seller shall be defined as the termination of the percentage of seller's production that was shipped to the closed or sold location

during the twelve (12) months prior to the date of closure or sale. Buyer agrees to take all or part of seller's hogs that seller elects to sell to buyer pursuant to this paragraph. If buyer is unable to provide four (4) months' notice of the sale or closure of one (1) location, buyer shall reimburse seller for incremental transportation costs between the original location and the buyer locations that remain for a time period that reflects the difference between four (4) months and the actual notice period given to seller. iv) If buyer permanently closes all locations, buyer shall use its best efforts to provide seller with four (4) months advance notice of such closure, and such notice shall also serve as notice for termination of the agreement on the closing date. If buyer is unable to provide four (4) months advance notice, buyer shall reimburse seller's incremental transportation costs between the original buyer location and the next closest market for seller for a time period that reflects the difference between four (4) months and the actual notice period give to seller. v). If buyer sells all locations, buyer shall use its best efforts to provide seller with four (4) months advance notice of such sale. In the event that the locations are all being sold by buyer, seller or buyer shall have the right to terminate this agreement upon sixty (60) days advance notice. vi). Beyond the reimbursements specifically identified in specified sections, seller shall not be entitled to any compensation or indemnification from buyer or its successors for losses or damages incurred by seller as a result of the temporary or permanent closure of one of the locations.

* In the event seller sells or agrees to sell any of its facilities being used to produce or house hogs to be sold hereunder, or sells or agrees to sell a material part of its breeding stock, or agrees to terminate any contractual arrangement with a sow unit providing pigs to seller, seller shall notify buyer, in writing, as soon as it contemplates such sale or termination, but in no event less than thirty (30) days prior to the consummation of such sale, of the name, address and principals of the intended property buyer. In the event that buyer does not exercise its right to terminate this agreement pursuant to specified paragraph, seller shall require, if requested by buyer, that the buyer of such facilities assume, in writing, all of seller's obligations and duties under this agreement prior to consummation of such sale. The rights of buyer hereunder are in addition to, and not in lieu of, any other rights buyer may have, from time to time, hereunder, under any other agreement, at law and/or in equity.

* If buyer closes one or more of the plants, either temporarily or permanently, the following conditions shall apply: (a) Closure of a plant. In the event buyer temporarily or permanently closes one or more of the plants, this agreement shall continue without change. Buyer shall use its best efforts to provide seller with four (4) months advance notice of such closure. In the event of the temporary or permanent closure of one of the designated plants, buyer shall direct shipment of seller's hogs to other plants. (b) Sale of a plant. In the event buyer sells or otherwise transfers all of the plants, buyer agrees that this agreement shall be assigned to the transferee of the plants. In the event buyer sells or otherwise transfers one or more of the plants but not all of the designated plants, buyer agrees that this agreement shall be retained by buyer. In the event buyer sells or otherwise transfers all of the designated plants, this agreement shall be assigned to the transferee of the designated plants. In the event buyer sells or otherwise transfers one of the designated plants, this agreement shall be retained by buyer or, subject to the prior consent of seller, which consent shall not be unreasonably withheld, partially assigned to the transferee of a designated plant that is sold or otherwise transferred. (c) Delivery to other than a designated plant. In the event seller is directed to deliver hogs to a plant that is not a designated plant, buyer shall reimburse seller for any incremental transportation costs in the manner specified in specified subparagraph. (d) Damages. In addition to the obligation of buyer to reimburse seller for any incremental transportation costs in the manner specified in specified subparagraph, in the event buyer fails to perform its obligations under this agreement during the term, seller shall be entitled compensation or indemnification from buyer or its successors for losses or damages incurred by seller as a result of the breach of buyer's obligations under this agreement, subject to the limitations stated in specified paragraph.

* If buyer closes or sells one or all of its locations, buyer shall have the right to terminate this agreement upon sixty (60) days' notice. In the event of the temporary or permanent closure of one location, buyer may request seller to deliver hogs to another buyer location. In such event, buyer shall reimburse seller for any incremental transportation costs between the original location and the new location. If closure is permanent, seller shall have the option of delivering under this agreement or terminating the agreement by delivering written notice to buyer within sixty (60) days of such permanent closure. In no event shall seller be entitled to any compensation or indemnification from buyer or its successors for losses or damages incurred by seller as a result of the temporary or permanent closure of one or all of the locations.

* During the term of this agreement, seller shall, within thirty (30) days of any change, provide buyer with written notice of any change in ownership or management of any of the designated production facilities.

* During the term of this agreement, seller shall not sell, abandon or otherwise dispose of any of the designated production facilities, except that seller may pledge or mortgage the designated production facilities to a bona fide third party lender.

* If buyer (which includes its subsidiaries or its parent company) exits the hog processing business it may terminate this agreement. Upon such termination any amounts in the deficiency account will be repaid by seller within 60 days, any amounts in the reserve account will be repaid by in 10 days, and there will be no further obligations by either party under this agreement. If decides to close the plant identified in specified section but not otherwise exit the hog processing business, then the parties shall negotiate in good faith an alternative plant or plants for delivery. If the parties are unable to agree on an alternative plant or plants for delivery, then seller may terminate this agreement with six months' notice. For deliveries occurring after the closure of the plant but within the six-month notice period, then seller shall deliver hogs to the plant identified by which shall be either of the two closest plants to the feeding location of the hogs delivered.

* Seller shall disclose to buyer, upon demand, the identity of the owners of and interested parties in its facility or facilities and of its outstanding shares of corporate stock. In the event seller sells or agrees to sell (i) any of its facilities being used to produce or house hogs to be sold hereunder, (ii) a material part of its breeding stock or (iii) fifty (50) percent or more of its outstanding shares of corporate stock (whether in a single transaction or cumulatively during the term of this agreement), seller shall notify buyer in writing as soon as it contemplates such sale, but in no event less than thirty (30) days prior to the consummation of such sale, of the name, address and principals of the intended buyer and the terms of the proposed sale. Buyer shall have the right of first refusal to purchase the offering by seller. Seller may offer, if agreed in writing by buyer, that the buyer of such facilities, breeding stock or shares of corporate stock assume in writing all of seller's rights, obligations and duties under this agreement. The rights of buyer hereunder are in addition to and not in lieu of any other rights buyer may have from time-to-time hereunder, under any other agreement, at law and/or in equity.

General Contract Terms - Arbitration Choice

* A poultry grower, livestock seller or swine production contract grower has the right to decline to be bound by the arbitration provisions set forth in this agreement. A poultry grower, livestock seller or swine production contract grower shall indicate whether or not it desires to be bound by the arbitration provisions by signing one of the following statements; failure to choose an option will be treated as if the poultry grower, livestock seller or swine production contract grower declined to be bound by the arbitration provisions set forth in this agreement: I decline to be bound by the arbitration provisions set forth in this agreement. I accept the arbitration

provisions as set forth in this agreement.

* Seller may opt into or out of the preceding arbitration provision by so indicating on the signature page hereto.

* Even if seller declines to be bound to binding arbitration and the provisions of specified section, seller will still have the right to utilize binding arbitration to resolve disputes or controversies under this agreement at a later time if buyer and seller both consent in writing to use binding arbitration as the method to settle the dispute or controversy.

* Seller has the right to decline to be bound by the arbitration provisions set forth in this agreement. Seller shall indicate whether or not it desires to be bound by the arbitration provisions by signing one of the following statements; Failure to choose an option will be treated as if seller declined to be bound by the arbitration provisions set forth in this agreement: I decline to be bound by the arbitration provisions set forth in this agreement. I accept the arbitration provisions as set forth in this agreement.

* Seller has the right to decline to be bound by this arbitration provision by indicating that decision on the signature page of the agreement where indicated. If seller declines to be bound by this arbitration clause, any dispute will be resolved in the federal judicial district in which the principal part of the performance of this agreement takes place. If seller accepts the arbitration provisions by signing where indicated on the signature page below, all disputes between seller and buyer relating in any way to this agreement will be resolved by binding arbitration. Seller's rights will be determined by a neutral arbitrator and not by a judge or jury. Arbitrator decisions are as enforceable as any court order, but are subject to very limited review by a court. Seller will be responsible for half of the arbitrator's and administrative fees. These fees are higher than court costs in litigation. Seller and buyer will each be responsible for their respective costs and expenses, which may include filing fees, travel expenses, out-of-pocket expenses such as copying and telephone, witness fees, and attorneys' fees. Because the procedures are simpler and the process is usually faster, attorneys' fees and other costs of arbitration may be lower than litigation costs. For more information on the arbitration process, visit the website of the American Arbitration Association at www.mlr.org.

* Seller’s election regarding arbitration: 1. seller has the right to decline to be bound by the requirements stated in specified section which require that binding arbitration be used as the only method to resolve controversies and disputes that arise under this agreement. 2. If seller elects at this time not to have binding arbitration be the only method used to resolve disputes and controversies that arise under this contract, seller will still have the right to utilize binding arbitration to resolve controversies at a later time if the Company and seller both consent in writing to use binding arbitration as the method to settle the controversy. By marking “No” below and signing where indicated, the provisions of specified section which require that binding arbitration be the only method used to resolve controversies which arise under this contract will not be a part of this contract. NO - seller declines. Seller will not be bound by the provisions of specified section which require that binding arbitration be the only method used to resolve controversies and disputes that arise under this contract. Seller confirms this decision by signing here. YES - seller accepts. Seller agrees to be bound by the arbitration provisions of Section 10 which require that binding arbitration be the only method used to resolve controversies and disputes that arise under this contract. Seller confirms this decision by signing here.

* Seller may choose to opt out of the preceding arbitration provision by so indicating in the space below. If seller does not indicate that it is opting out of the arbitration provision, the preceding arbitration provision shall be enforceable against seller and buyer In accordance with its terms. Even If seller chooses to opt out of the preceding arbitration provision, the parties may agree in writing, after a controversy arises, to use arbitration to

settle such controversy. By making its mark in the preceding space, seller chooses to opt out of the preceding arbitration provision.

* Seller may, at any time before entering this agreement, decline to be bound by specified paragraph which requires that binding arbitration be the only method used to resolve disputes or controversies that arise under this agreement. Even if seller decides before entering this agreement not to be bound by specified paragraph, seller will still have the right to utilize binding arbitration to resolve disputes or controversies at a later time if the buyer and seller both consent in writing to use binding arbitration as the method to settle the dispute or controversy. Seller shall complete specified schedule to indicate seller's choice regarding whether seller will be bound by specified paragraph.

* Seller may decline to be bound by arbitration by completing the information and placing his or her initials here. If seller elects not to be bound by this arbitration section, seller and buyer can nevertheless agree to arbitrate any and all claims between themselves arising out of or relating in any way to the execution, Interpretation and performance of this agreement by consenting to arbitration in writing after the claim(s) arise. This agreement contains a binding arbitration provision that may be enforced by the parties.

* This agreement contains a provision requiring the use of arbitration and by signing this amendment, seller acknowledges that prior to entering this Amendment, seller has been advised that the seller can decline to be bound by the arbitration provision. Further, seller has been advised of the right to retain its own attorney to review this Amendment and either of its own free will and accord has not done so or has done so and still nevertheless chooses to be bound by the arbitration provision and chooses to execute this amendment.

General Contract Terms - Assignment of Agreement

* Notwithstanding any other provision of this agreement, this agreement may be collaterally assigned to any lender of buyer without seller's approval or execution of any assignments or acknowledgments of such collateral assignments by seller; however, seller will execute and deliver any assignments or acknowledgments of such collateral assignments reasonably requested by buyer or any lender of buyer.

* Buyer (or any permitted assignee of buyer) may assign all or a portion of its rights hereunder, and may assign this contract, only with the prior written consent of seller. Seller may assign this contract (by operation of law or by contract) to any legal successor to the assets of seller without the consent of buyer (or any permitted assignee of buyer), but only so long as (i) such assignment is permitted under the specified state corporate farming laws, and (ii) the assignee is not a pork buyer in competition with buyer. In all other events, seller (or any permitted assignee of seller) may assign this contract only with the prior written consent of buyer (or any permitted assignee of buyer).

* Subject to the conditions precedent and terms set forth in this seller agreement, facilitator grants, transfers and assigns to seller, and seller accepts assignment of the right and obligation to deliver the number of hogs stated on specified exhibit, delivery schedule for sellers under seller agreement, pursuant to the terms and conditions of the agreement.

* Neither this agreement nor any right, duty or authority granted or created hereunder may be transferred, sublicensed, assigned or delegated by either party without the prior written consent of the other party.

* Neither party hereto may assign all or any portion of this agreement without the prior written consent of the other party, which consent shall not unreasonably be withheld; provided, however, that buyer shall have the right to assign all or any portion of this agreement to any affiliate, in which event buyer shall remain liable for all obligations hereunder. This agreement, and every provision hereof, shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

* This agreement may be assigned by buyer by giving seller a written notice of assignment. This agreement may be assigned by seller with the prior written consent from buyer, which consent shall not be unreasonably withheld. The assignment of this agreement shall not relieve the assignor from its obligations under this agreement.

* This agreement may be assigned by buyer. Seller may assign this agreement with the prior consent of buyer, which consent shall not be unreasonably withheld.

* This agreement may be assigned in whole or in part by buyer or seller without the prior written consent of the other party, provided, however, (i) Buyer may not assign this agreement in whole or in part unless such assignment is to the seller or transferee of the designated plants, or (ii) in the event the designated plants have been permanently closed, buyer may not assign this agreement in whole or in part unless such assignment is to the seller or transferee of one or more of the remaining processing plants. Any assignment will not relieve the assignor from any of its obligations created hereunder. Any assignee shall become liable for all the terms and conditions of this agreement as if such party was signatory to the agreement.

* Seller may, upon reasonable notice to buyer assign responsibility for delivery of a portion of the hogs described in specified section of this agreement to one or more other sellers if all of the following occur, subject to the sole discretion of buyer: 1) the Assignee seller(s) is/are acceptable to buyer; 2) the assignee seller(s) and buyer execute a separate agreement to govern delivery of hogs that are the subject of seller’s assignment.

* Seller does not have the right to assign this agreement or any of its rights or obligations under this agreement without buyer's prior written consent. Seller may, however, assign this agreement or any of its rights hereunder to its lender(s) as collateral security for any loan. This agreement will be binding on seller's heirs, successors and permitted assigns and on buyer' successors and assigns.

* Facilitator may assign a portion of its hog delivery obligations under the agreement to other sellers with buyer' consent (which will not be unreasonably withheld) by using the seller agreement form attached to the agreement as specified exhibit.

* This agreement is personal to the party and no party may assign it to any third party without the prior written consent of the other party, unless otherwise provided for herein.

* No assignment for the benefit of creditors or any actions with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings made by or brought against buyer.

* Seller may not assign any of its rights or obligations under this seller agreement without the prior written consent of both facilitator and buyer. Seller acknowledges that facilitator can and likely will assign other portions of the agreement to various other hog sellers and seller consents to all such assignments.

* Either party may assign its rights and delegate its obligations under this agreement upon written notice to the other party, provided that the assignee is not a direct competitor of the non-assigning party. In the event that the proposed assignee is a direct competitor of the non-assigning party, the non-assigning party shall have the right, at its sole discretion, to either provide consent of the assignment in writing or immediately terminate this agreement without penalty.

* This agreement shall be binding on seller, facilitator, and buyer, their heirs, assignees and/or successors subject only to the approval of buyer in the case of seller being sold or transferred or subject only to the approval of seller in the case of buyer being sold or transferred. If either party is being acquired, the party being acquired shall notify the acquiring party of this agreement. Thus, if buyer is being acquired, buyer shall notify seller and seller shall have thirty (30) days to obtain necessary information relating to the transaction and an additional thirty (30) days to, in its sole and discretionary right, decide whether or not to terminate this agreement. Likewise, if seller is being acquired, seller shall notify buyer and buyer shall have thirty (30) days to obtain necessary information relating to the transaction and an additional thirty (30) days to, in its sole and discretionary right, decide whether or not to terminate this agreement.

* This agreement may not be assigned by either party without the prior written consent of the other party, except that the buyer may assign this agreement to any subsidiary or affiliate of the buyer without the seller's consent.

* Any assignment, sale or transfer of seller's interest in the hog farming operation must include notice to the assignee that any proposed assignment or transfer of this agreement is subject to receipt of buyer's prior written approval as set forth in specified paragraph of this agreement. Any assignment or transfer agreed to by buyer shall be subject to the terms and conditions of this agreement, a copy of which shall be provided to the assignee. The obligations of this provision shall also apply with equal force to the transfer of seller's interest to their successors and assigns.

* Neither party has the right to assign this agreement or any of its rights or obligations under this agreement without the other party's written consent, which will not be unreasonably withheld. Either party, however, may assign this agreement or any of its rights hereunder to its lender(s) as collateral security for any loan. This agreement will be binding on the parties' heirs, successors, and permitted assigns.

* This guaranty may be assigned by without notice to or consent from guarantor. The obligations created under this guaranty are binding upon the undersigned, their heirs, executors, administrators, successors and assigns.

* If seller sells or leases the facilities used to produce hogs, this agreement must be assigned to the seller or lessee of the facilities. Such assignment, and all other assignments shall not be made by either party without first receiving the other party's written consent, which consent will not unreasonably be withheld. [In the case of a contemplated assignment of rights under this contract by buyer, or a contemplated sale or lease of a facility which processes hogs delivered under this agreement, the contemplated assignment, sale or lease may be conditioned on acceptance of this agreement by buyer’s intended assignee, lessee or buyer and on the seller’s consent, which shall not be unreasonably withheld, such agreement by buyer’s contemplated assignee, lessee or buyer shall not relieve seller of responsibility to repay any deficit amount to buyer within the time period stated in specified section.]

* Under this agreement, facilitator obligates itself to cause individual sellers to sell and deliver hogs to buyer. Facilitator will assign portions of its hog delivery obligations to individual third party sellers with buyer' consent (which will not be unreasonably withheld) by using the seller agreement attached as specified exhibit. Each individual or entity that produces hogs, obtains buyer' consent and executes a seller agreement and a delivery schedule is referred to as a seller. Except as specifically permitted in this section, facilitator does not have the right to assign this agreement or any of its rights or obligations under this agreement without buyer' prior written consent. Facilitator may, however, assign this agreement or any of its rights hereunder to its lender(s) as collateral security for any loan. Facilitator is not a buying agent or dealer for buyer and has no obligations or loyalty to buyer beyond the obligations specifically identified in this agreement. Regardless of any seller agreement, however, facilitator will remain liable to buyer for full performance of all obligations under this agreement, including without limitation, delivery of the entire quantity of hogs called for under this agreement. To the extent that any properly-assigned seller performs facilitator's obligations under this agreement, buyer agrees to accept such performance, and facilitator agrees that buyer' performance to seller of any obligations under this agreement constitutes performance to facilitator under this agreement.

* This agreement may not be assigned, nor may the performance obligations of seller to deliver hogs to buyer be sold or transferred to any other person or entity without buyer's prior written approval. Buyer shall have the right in its sole discretion to agree or not agree to any such proposed transfer or sale. The parties understand and agree that buyer's decision to enter into this agreement was made in reliance on seller being the person or entity to deliver hogs to buyer.

* This agreement may not be assigned in whole or in part by seller without the prior written consent of buyer, provided, however, that such consent may not be unreasonably withheld. Buyer may assign all or a portion of its rights hereunder. Any assignment will not relieve the assignor from any of its obligations created hereunder; and any assignee shall become liable for all the terms and conditions of this agreement as if such party was signatory to the agreement.

* Neither party hereto may assign all or any portion of this agreement without the prior written consent of the other party, which consent shall not be withheld unreasonably. This agreement, and every provision hereof, shall be binding upon and inure to the benefit of the parties hereto and any permitted successor and assigns. Notwithstanding the foregoing, either party may assign (a) all or any portion of its rights under this agreement to a bank, financial institution, or other entity providing financial consideration as security for or in connection with a financial transaction for the benefit of seller or buyer, or (b) all of its rights under this agreement to a bona fide third-party buyer of substantially all of the business of buyer, on one hand, or the business of seller, on the other hand (regardless of the form of the transaction, including, without limitation, a merger or consolidation or a sale of substantially all assets, interest(s) or stock), provided that such buyer executes a written assumption of all of the obligations hereunder of buyer, on the one hand, and seller, on the other hand.

* Neither party has the right to assign this agreement or any of its rights or obligations under this agreement without the other party's prior written consent. Seller may, however, assign this agreement to specified, or an affiliate and may assign this agreement or any of its rights hereunder to its lender(s) as collateral security for any loan. This agreement will be binding on specified successors and permitted assigns and on buyer's successors and permitted assigns.

* Facilitator does not have the right to assign this agreement or any of its rights or obligations under this agreement without buyer's prior written consent. Facilitator may assign portions of its hog delivery obligations under this agreement to sellers with buyer's consent (which will not be unreasonably withheld).

* This agreement may be assigned by either party with prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.

* This agreement cannot be assigned by either party without the other party's prior written approval. Notwithstanding the above, either party may assign this agreement to any affiliated company within such party's organization. Further, the parties agree if either party merges with another company (excluding a merger of a party into an affiliate within such party's organization) and is not the surviving party, or such company is otherwise sold or a majority ownership of the company is transferred, the party merging, selling, or transferring its business or stock must seek the other party's written consent to the merger, sale or transfer, and if such written consent is not received, this agreement may be terminated by either party by giving the other party ninety (90) days written notice.

* This agreement may not be assigned by seller without the prior written consent of buyer.

* This agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided, however, that seller shall not assign this agreement in whole or in part without the prior written consent of buyer. Any attempted assignment in violation of this provision shall be void.

* This guaranty may be assigned by buyer without notice to or consent from guarantor. The obligations created under this guaranty are binding upon the undersigned, their heirs, executors, administrators, successors and assigns.

General Contract Terms - Compliance with Applicable Laws

* This agreement has been executed and shall be performed in a state where the parties agree, and the parties hereto agree, notwithstanding the principles of conflicts of laws, that the internal laws of the sand control the validity, interpretation, performance and enforcement of this agreement. The parties further agree that any action relating to this agreement shall be instituted and prosecuted in the courts of said state, and each party hereto hereby consents to the jurisdiction of said courts and waives any right or defense relating to such jurisdiction and venue.

* Seller is solely responsible for the operation and management of its hog production operation, including but not limited to proper animal care and handling. Seller is solely responsible for compliance of its hog production operation with all applicable federal, state and local laws and regulations, including criminal laws relating to mistreatment of animals. Examples include laws and regulations relating to permits to operate facilities, handling and disposal of manure, and disposal of dead hogs.

* The parties intend that this agreement comply with the provisions of the specified law. Buyer intends to submit this agreement for certification of compliance with the specified law. The parties determined to proceed with this agreement prior to obtaining such certification and seller agrees to such amendments of this agreement as may be reasonably requested by buyer in order to obtain such certification.

* With respect to the production and purchase of hogs hereunder, each party agrees to perform under this agreement in material compliance with all applicable laws and regulations. Based on global presence, products must be produced in accordance with applicable anti-corruption standards, and seller further agrees that in the

production and sale of hogs under this agreement, seller will not make any unlawful payments to government officials or make or receive any illegal bribe, illegal kickback or other similar illegal payments or gifts. If buyer has a reasonable basis to believe that seller has violated the foregoing, buyer shall have the right to request adequate and reasonable assurances of seller that ensure compliance with the terms of this provision.

* During the term of this agreement, buyer/seller shall comply in all respects with all laws (including, but not limited to, regulations, rules, codes and ordinances, whether existing or hereinafter created), whether federal, state, local or otherwise, applicable to buyer’s/seller's duties under this agreement.

* Seller shall dispose of all waste and dead animals promptly and in a manner consistent with accepted management practices and in compliance with all applicable local, county, state and federal laws and regulations.

* This agreement shall be governed by the laws of the specified state without giving effect to those principles of conflicts of law which might otherwise require the application of the laws of another jurisdiction. The parties agree that the state and district courts of specified state shall have exclusive jurisdiction and venue to determine any disputes under this agreement.

* Buyer is solely responsible for the operation and management of its hog processing operation, and for compliance of its processing operation with all applicable federal, state, and local laws and regulation.

* This agreement is entered into in the specified state. The validity, construction and effect of this agreement shall be governed, enforced and interpreted under the laws of this specified state applicable to agreements to be performed therein.

* This agreement shall be governed and construed in accordance with the laws of the specified state without regard to conflict of laws principles.

* Seller shall conduct and manage the operations of seller's facilities in a manner consistent with accepted environmental safety management practices and in compliance with all applicable local, county, state and federal laws and regulations.

* The operations of the facilities shall be conducted and managed in a manner consistent with accepted environmental safety management practices and in compliance with all applicable state and federal laws and regulations.

* During the term of this agreement, seller shall comply in all [material] respects with all laws (including, but not limited to, regulations, rules, codes and ordinances), whether federal, state, local or otherwise, applicable to the production of hogs, the construction, operation and maintenance of the designated production facilities, and the performance of seller's obligations hereunder, such laws to include, without limitation, those relating to protection of the environment, waste management, health or safety of persons, construction and site location of the designated production facilities, and livestock production.

* The execution, delivery and performance of this agreement and the consummation of the transactions contemplated hereby will not (a) violate any provision of law, statute, rule or regulation; or (b) violate any judgment, order, writ or decree of any court applicable to Seller.

General Contract Terms - Country of Origin

* All hogs were born in the United States of America and have not at any time been outside of the United States of America. Further, no pregnant sow which gave birth to any hog has been outside of the United States of America during the gestation period for such hog.

* Seller will not deliver any swine to the plant that are not born and raised in the United States.

* Hogs sold to buyer shall be born and raised in USA. Seller shall maintain an active Country of Origin Declaration with buyer.

* Seller understands and agrees that if a federal, state or local government enacts any law/legislation that requires segregation of hogs or pork product (for example, country of origin) or in the event of a customer requirement that necessitates segregation of hogs or pork product, and if seller's hogs do not meet such segregation requirement, buyer may require seller to deliver hogs to other plants, on certain days, or at certain times, to enable buyer to process hogs in compliance with such segregation requirement. In addition, seller will deliver with each load of hogs any affidavit or other document requested by buyer to comply with such segregation requirement. [Seller agrees that under the current country of origin law any hogs of Canadian origin will be delivered to the facility in specified location without any additional freight incurred by buyer.]

* Buyer will not accept any hogs delivered to the designated facility by seller that are not born and raised exclusively in the United States. If any hogs are delivered to the designated facility by seller that are not born and raised in the United States, seller agrees that there will be deducted from the purchase amount an amount equal to any reductions in revenue and increases in costs, fees and expenses attributable to the processing of hogs not born or raised in the United States. Upon request by buyer, seller agrees to provide to buyer a signed affidavit verifying that all of seller's hogs delivered to the designated facility are born and raised in the United States.

* Seller understands and agrees that certain laws and regulations exist that require segregation of hogs or pork products based on country of origin, and seller will deliver with each load of hogs any affidavit or other document requested by buyer to comply with such segregation requirement.

* All pigs must be born and raised exclusively in the United States. Seller will verify the origin of all hogs and will comply with all COOL requirements.

* All hogs delivered on this contract must be exclusively born and raised in the United States. It shall be the seller's responsibility to provide documentation to buyer, in a format as may be required by the USDA, or if the USDA does not require such documentation from the seller, then in a format approved by buyer, at the time of each delivery of hogs to buyer that certifies that all such hogs have been exclusively born and raised in the United States.

* Seller understands and agrees if a federal, state or local government enacts any country of origin, or any similar law which requires segregation of hogs or pork product, buyer may require seller to deliver hogs on certain days or at certain times and to certain plants to enable buyer to process hogs in compliance with such law. In addition, seller will deliver with each load of hogs any affidavit or other document requested by buyer to comply with any such law.

* If Country of Origin Labeling (COOL) requirements are mandated to buyer, seller agrees that it shall not send buyer any hogs born and/or raised outside the United States.

* Seller agrees to certify, in writing, upon buyer's request, that all hogs delivered pursuant to this agreement were born and raised exclusively in the United States of America.

* Seller will maintain a verifiable record-keeping system that will permit the verification of the location of the birth of each hogs and the location(s) in which each hogs was raised. Seller will retain all such records for a period of two years or for such longer period as may be specified in regulations issued by the United States Department of Agriculture, and will make such records available to buyer upon request. Each hog's country of origin, within the meaning of the Farm Security and Rural Investment Act of 2002 (the Act") will be the United States and any regulations adopted thereunder, and each hogs was born and raised (as defined in the Act) exclusively in the United States.

* Seller acknowledges and agrees that if a Law is enacted, may, at discretion, make additional adjustments (increase or decrease) in determining the market price to take into account the category under which pork products from the hogs must be labeled and sold, including but not limited to Country of Origin Labeling requirements.

* Each hog shall have been born and raised exclusively in the United States.

* Each hog's country of origin, within the meaning of the Farm Security and Rural Investment Act of 2002 will be the United States and any regulations adopted thereunder, and each hog was born and raised (as defined in the Act) exclusively in the United States. Seller will maintain a verifiable record-keeping system that will permit the verification of the location of the birth of each hog and the location(s) in which each hog was raised. Seller will retain all such records for a period of two years or for such longer period as may be specified in regulations issued by the United States Department of Agriculture, and will make such records available to buyer upon request.

* Designated as exclusively having a United States country of origin, as such term is defined in the Agricultural Marketing Act of 1946, as amended, or similar legislation (referred to in this agreement as COOL), and in accordance with any corresponding labeling or tracking requirements that buyer may require by written notice during the term of this agreement.

* Seller agrees it shall not send buyer any hogs born and/or raised outside the United States. Further,: (1) seller shall supply affidavits, substantially in the form attached as specified schedule, stipulating (i) that seller has complied with COOL, (ii) that seller maintains documents showing where the hogs were born, and where they were raised, and (iii) that seller maintains any other document required by a governmental agency; (2) seller agrees to indemnify and hold buyer harmless against any and all COOL violations and pay buyer' s reasonable attorney’s fees in any subsequent COOL lawsuit or regulatory compliance action; and (3) provide buyer with access to seller's COOL compliance records to allow buyer to audit COOL compliance.

* Certify that all hogs must have been born and raised in the United States of America and seller shall deliver a continuous affidavit of origin to buyer prior to delivering the first load of hogs to buyer pursuant to this agreement. Any deviation from this standard shall require buyer's prior written approval. Breach of this standard may result in immediate termination of this agreement by buyer.

* As result of the Country of Origin Labeling law passed by Congress in 2002, and the regulations that are to be issued by the United States Department of Agriculture (USDA) implementing the law, all hogs delivered to buyer after 30 days prior to the date whereby the USDA establishes the implementation date, must be exclusively born and raised in the United States. Accordingly, if all hogs delivered to buyer by seller after 30 days prior to the date whereby the USDA establishes the implementation date, are not exclusively born and raised in the United States, then buyer, at its sole discretion, may either accept only those hogs that are exclusively born and raised in the United States or may terminate this agreement, effective 30 days prior to the date whereby the USDA establishes the implementation date. It shall be the seller's responsibility to provide documentation to buyer, in a format as may be required by the USDA, or if the USDA does not require such documentation from the seller, then in a format approved by buyer, at the time of each delivery of hogs to buyer that certifies that all such hogs have been exclusively born and raised in the United States.

* Whereas an affidavit is deemed by USDA's Agricultural Marketing Service (AMS) as a record of Country of Origin, I [seller] attest through firsthand knowledge, normal business records or seller affidavit that all livestock marketed to the buyer are of U.S. Origin (exclusively born and raised in the U.S.) including but not limited to the livestock marketed to the buyer. I attest that records reflecting specific transactions are available for inspection for the sole purpose of compliance with the country-of-origin labeling provisions contained in the Farm Security and Rural Investment Act of 2002, as amended. I understand that if the origin of my livestock become other than that described above, I will notify the buyer/agent verbally and in writing when this occurs. I further attest that seller has, and will, maintain records of livestock origin for one year from the date of delivery of the livestock to the buyer. This Affidavit/Declaration of Country of Origin of Livestock shall remain in effect until revoked in writing by the undersigned seller and is delivered to buyer, specified address.

* That each hog complies with the Mandatory Country of Origin Regulations as directed by USDA Agriculture Marketing Service and that seller will maintain a verifiable record-keeping system that will permit the verification of the location of the birth of each hog and the location(s) in which each hog was raised. Seller will retain all such records for a period of two years or for such longer period as may be specified in regulations issued by the USDA, and will make such records available to buyer upon request.

* Seller agrees to cooperate with buyer in complying with country of origin labeling requirements by providing information on a timely basis and as needed by buyer and required by legislation to meet such requirements.

General Contract Terms – Default

* For the purposes of this agreement, a default by seller shall be deemed to have occurred under any of the following circumstances: (i) seller defaults in the performance of any material obligation under this agreement and fails to cure such default within fourteen (14) days following receipt of written notification of such default from buyer; or such longer period as reasonable required to cure such default, but in no event more than thirty (30) days after receipt of the written notice; (ii) seller is adjudged as bankrupt, or if a proceeding of any kind under any law relating to bankruptcy, insolvency or relief of debtors is initiated by or against seller and is not dismissed within thirty (30) days; (iii) seller makes an assignment for the benefit of its creditors or ceases to carry on its business; (iv) seller has a receiver, trustee or similar person appointed or otherwise designated in respect to its business or affairs; or (v) seller exits (or notifies buyer that seller intends to exit the hog production business.

* The occurrence of any of the following shall constitute a default hereunder by seller, which shall give buyer the rights set forth in specified paragraph: (i) the failure to pay any amounts owing by seller to buyer hereunder, and if, and only if, such failure to pay is not cured by seller within one (1) business day following seller's receipt of written notice from buyer of such failure to pay; (ii) the failure of seller to perform any term, covenant, condition, obligation or material provision to be performed, kept and/or observed under this agreement in the manner and within the times set forth hereunder and, except with respect to any default relating to a payment obligation due from seller to buyer or any obligation of seller under the Nutrition Standards or Antibiotic Withdrawal Program, the expiration of thirty (30) days written notice and failure to cure such default during the same thirty- (30) day period; or (iii) a Force Majeure Event which suspends performance by seller under this agreement for a consecutive period of more than one hundred twenty (120) days.

* The occurrence of any of the following shall constitute a default hereunder by seller, which shall give Processor the rights set forth in specified section: (i) failure to pay any amounts owing by seller to buyer hereunder, and if, and only if, such failure to pay is not cured by seller within five (5) business days following seller's receipt of written notice from buyer of such failure to pay; (ii) failure of seller to deliver seller's year-to-date quarterly quantity minus 1.0 of seller's quantity, or failure of seller to deliver seller's annual quantity minus 1.0 of seller's quantity; (iii) failure of seller to perform any material term, covenant, condition, obligation or provision to be performed, kept and/or observed under this agreement in the manner and within the times set forth hereunder and, except with respect to any default relating to a payment obligation due from seller to buyer or any obligation of seller under the Nutrition Standards, the expiration of thirty (30) days' written notice and failure to cure such default during the same thirty (30) day period; or (iv) a transfer of all or substantially all of seller's assets in fraud of creditors, or seller's failure to pay its debts as such debts become due, or seller admitting in writing its inability to pay debts generally or a general assignment for the benefit of creditors; or if any proceeding shall be instituted by or against seller seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of debt under any law relating to bankruptcy, insolvency, reorganization or relief which proceeding, if filed against seller remains pending and is not otherwise dismissed or terminated within sixty (60) calendar days from its commencement; or if seller shall suffer the appointment of a receiver, trustee, or other similar official or for any substantial part of seller's property which appointment is not terminated or discharged within sixty (60) calendar days.

* Any of the following events or circumstances shall constitute a default of this agreement by seller: (i)a failure by seller to perform any of its obligations under specified sections of this agreement; or (ii)the failure by seller to meet any ten week average live weight and yield requirement specified on specified schedule; or (iii) the failure of seller to perform any other obligation under this agreement and the failure of seller to cure such failure within thirty (30) days following receipt of written notification of such default from buyer; or (iv) seller shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any action to authorize any of the foregoing; or (v)an involuntary case or other proceeding shall be commenced against seller seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days, or

an order for relief shall be entered against seller under the federal bankruptcy laws as now or hereafter in effect; or (vi)the withdrawal by seller from the hog production business.

* The occurrence of any one or more of the following shall constitute an event of default by seller under this agreement: a. A breach by seller of any term, provision, obligation, covenant, representation or warranty under this agreement or failure to pay or make payment when due of any obligation owed under this agreement or by seller under any other agreement or arrangement between seller or buyer, or any of buyer's affiliates, as hereinafter defined. The term affiliates' shall mean buyer, any subsidiary of buyer and all entities controlling, controlled by or under common control with any of the foregoing or any of their subsidiaries or principals; b. Seller commences any bankruptcy, whether voluntary or involuntary, reorganization, debt arrangement, or other case or proceeding under the United States Bankruptcy code or any similar foreign, federal, state or local statute, or any dissolution or liquidation proceeding, or makes a general assignment for the benefit of creditors, or takes any action for the purpose of effecting any of the foregoing; or the appointment or the filing of a petition seeking the appointment of a custodian, receiver, trustee or liquidator for seller or any of its property or the taking of possession of any part of the property of seller at the instance of any governmental authority; c. Seller is or becomes unable to pay any of its debts and/or operating expenses as they mature or become due, has become insolvent, or has suspended transaction of its usual business; d. The dissolution, merger, consolidation reorganization, change in control or majority ownership, or sale of material assets of seller; or e. The occurrence of an adverse change in the financial condition of seller, or the occurrence of any event, which in the sole opinion of buyer, impairs the financial responsibility of seller, including, without limitation, a change in the management or ownership of seller.

* Buyer may immediately terminate its obligations to accept deliveries from a specific production site of seller if: (i) that specific production site is found to have a major non-conformance as described in specified program, or (ii) that specific production site violates any local, state, or federal laws, regulations, permits, or orders pertaining to environmental safety, and such violation has not been cured within specified days, or (iii) that specific production site violates any local, state, or federal laws, regulations, permits, or orders pertaining to food safety, and such violation has not been cured within specified days. A termination as to a specific site under this subsection does not preclude that site from being requalified as an acceptable seller location by buyer at a later date, if that site successfully passes a follow-up verification as described in specified program.

* The occurrence of any one or more of the following shall constitute an event of default under this agreement: a. Breach. A breach by either party, not cured within 15 days of written notice thereof from the non-defaulting party, of any term, provision, obligation, covenant, representation or warranty under this agreement or failure to pay or make payment when due of any obligation owed under this agreement. b. Voluntary Bankruptcy. Either party commences any bankruptcy, reorganization, debt arrangement or other case or proceeding under the United States Bankruptcy Code or any similar foreign, federal, state or local statute or any dissolution or liquidation proceeding; or makes a general assignment for the benefit of creditors; or takes any action for the purpose of effecting any of the foregoing. c. Involuntary Bankruptcy. Any bankruptcy, reorganization, debt arrangement or other case or proceeding under the United States Bankruptcy Code or similar foreign, federal, state or local statute or any dissolution or liquidation proceeding is involuntarily commenced against or in respect of either party (which is not released within 90 days) or any order for relief is entered in any such proceeding. d. Appointment of Receiver. The appointment or the filing of a petition seeking the appointment of a custodian, receiver, trustee or liquidator for either party or any of their respective property or the taking of possession of any part of the property of either party at the insistence of any governmental authority. e. Payment of Debts and Operating Expenses. Either party is or becomes unable to pay any of its debts and/or operating expenses as they mature or become due or has suspended transaction of its usual business. [f. Transfer of assets.

Either party transfers, merges or sells all or substantially all of its assets without thirty days' prior written notice to the other.]

* Notwithstanding the foregoing, it will not constitute a default of seller under this agreement if the total hogs delivered in any applicable annual or quarterly period under this subsection is within three percent (3), plus or minus, of the required number of hogs to be delivered. In addition, the annual and quarterly required number of hogs to be delivered shall be prorated accordingly for any partial annual or quarterly period.

* If seller shall fail to observe or perform any covenant or agreement contained herein, and such failure continues 30 days after notice from buyer of such failure or such longer time to cure as is reasonably required to cure such breach, or if seller shall file for bankruptcy protection or become insolvent, buyer may terminate this agreement. Notwithstanding the foregoing, buyer shall have the immediate right to terminate this agreement in its sole and absolute discretion in the event it appears to buyer that seller's default is willful or based on fraud, misrepresentation or deceit. Buyer shall have full recourse to all remedies under law or equity in the event of seller’s default.

* For purposes of this agreement, a default by either party shall be deemed to have occurred under any of the following circumstances: (a) Either party defaults in the performance of any obligation hereunder and, provided that such default is curable, said party-fails to cure such default within thirty (30) days following receipt of written notification of such default from the other party; or (b) Either party is adjudged to be bankrupt, or if a proceeding of any kind under any law relating to bankruptcy, insolvency or relief of debtors is initiated by or against said party and is not dismissed within thirty (30) days; or (c) Either party makes an assignment for the benefit of its creditors, or ceases to carry on its business; or (d) Either party has a receiver/trustee or similar person appointed or otherwise designated in respect of its business or affairs.

* For purposes of this agreement, a default by buyer shall be deemed to have occurred under any of the following circumstances: (a) Buyer defaults in the performance of any of its material obligations hereunder other than payment to seller and, provided that such default is curable, buyer fails to cure such default within thirty (30) days following receipt of written notification thereof from Seller; or (b)Buyer fails to make any payment due to seller hereunder and fails to cure such default within ten (10) days as provided in specified section; or (c) Buyer is adjudged to be bankrupt, or if a proceeding of any kind under any law relating to bankruptcy, insolvency or relief of debtors is initiated by or against Buyer and is not dismissed within sixty (60) days; or (d) Buyer makes an assignment for the benefit of its creditors, or ceases to carry on its business; or e) Buyer has a receiver/trustee or similar person appointed or otherwise designated in respect of its business or affairs.

* In the event of a default by either party, the other party, in addition to its other rights and remedies under applicable law, may terminate this agreement by providing written notice to the defaulting party. Termination of this agreement shall not relieve any party of any liability arising prior to such termination or affect the continued operation or enforcement of any provision of this agreement which by its terms is to survive termination. Nothing herein shall prevent any party from seeking specific performance or damages for breach in respect of any right or obligation contained in this agreement. In no event shall a termination of this agreement relieve either party from paying the other party for any amounts due. The rights and remedies set forth in this subsection are non-exclusive and shall be in addition to any other rights or remedies that may otherwise be available at law or equity.

* The occurrence of any of the following, shall constitute a default hereunder by buyer, which shall give seller the rights set forth in specified section: (i) the failure to pay any amounts owing by buyer to seller hereunder, and if, and only if, such failure to pay is not cured by buyer within five (5) business days following its receipt of written notice from seller of such failure to pay; (ii) the failure of buyer to perform any material term, condition, covenant, obligation or provision to be performed, kept and/or observed under this agreement or the agreement, in the manner and within the times set forth thereunder and, except with respect to any default relating to payment, the expiration of thirty (30) days' written notice and failure to cure such default during the same thirty (30) day period; or (iii) in the event of a transfer of all or substantially all of buyer's assets in fraud of creditors, or buyer generally failing to pay its debts as such debts become due, or admitting in writing its inability to pay debts generally or a general assignment for the benefit of creditors; or if any proceeding shall be instituted by or against buyer seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of debt under any law relating to bankruptcy, insolvency, reorganization or relief, which proceeding, if filed against buyer, remains pending and is not otherwise dismissed or terminated within sixty (60) calendar days from its commencement; or if buyer shall suffer the appointment of a receiver, trustee, or other similar official or for any substantial part of buyer's property, which appointment is not terminated or discharged within sixty (60) calendar days.

* Any of the following events or circumstances shall constitute a default of this agreement by buyer: (i) a failure by buyer to perform any of its obligations under specified sections of this agreement; or (ii)the failure of buyer to perform any other obligation under this agreement and the failure of buyer to cure such failure within thirty (30) days following receipt of written notification of such default from seller; or (iii) Buyer shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of a taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any action to authorize any of the foregoing; or (iv) an involuntary case or other proceeding shall be commenced against buyer seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days, or an order for relief shall be entered against buyer under the federal bankruptcy laws as now or hereafter in effect.

* For purposes of this agreement, a party is in default if such party: (1) Breaches this agreement and such breach remains uncured specified number of days after receipt from the non-defaulting party of a written notice specifying the breach; (2) Manifests an intention not to perform any material obligation under this agreement (for example, delivering hogs or accepting hogs) or manifests an intention not to cure a material breach of this agreement; or (3) Becomes insolvent, suspends or discontinues business operations, makes an assignment for the benefit of creditors, commences voluntary or has commenced against them involuntary bankruptcy proceedings, or voluntarily appoints or involuntarily has appointed a receiver or trustee of all or any part of their property.

* For purposes of this agreement, either party shall be deemed to be in default if a) a party defaults in the performance of a material obligation under this agreement and fails to cure such default within fourteen (14) days following receipt of written notification of such default from the other party, or such longer period as reasonable required to cure such default, but in no event more than thirty (30) days after receipt of the notice of

default; or (b) a party is adjudged bankrupt, is insolvent, makes an assignment for the benefit of creditors, or takes other similar action. The notice of default shall include a description of the act or omission constituting the default (including identification of any applicable section(s) of the agreement), the date of the default, and the means by which the default should be remedied. In the event of a default by either party, the other party, in addition to its other rights and remedies under applicable law, may terminate this agreement by providing written notice to the defaulting party. Termination of this agreement shall not relieve any party of any liability arising prior to such termination or affect the continued operation or enforcement of any provision of this agreement which by its terms is to survive termination. Nothing herein shall prevent any party from seeking specific performance or damages for breach in respect of any right or obligation contained in this agreement. In no event shall a termination of this agreement relieve either party from paying the other party for any amounts due. The rights and remedies set forth in this subsection are non-exclusive and shall be in addition to any other rights or remedies that may otherwise be available at law or equity.

* For the purposes of this agreement, either party shall be deemed to be in default if: (a) a party defaults in the performance of a material obligation under this agreement and fails to cure such default within thirty (30) days following receipt of written notification of such default from the other party, or such longer period as reasonable required to cure such default, but in no event more than sixty (60) days after receipt of the notice of default; or (b) a party is adjudged bankrupt, is insolvent, makes an assignment for the benefit of creditors, or takes other similar action. Notwithstanding any other provision herein, in no event may declare a violation of the average meat quality provisions of specified section and/or a violation of the average carcass characteristics of specified section to be an event of default. The notice of default shall include a description of the act or omission constituting the default (including identification of any applicable section(s) of the agreement), the date of the default, and the means by which the default should be remedied.

* The occurrence of any of the following, shall constitute a default hereunder by buyer, which shall give seller the rights set forth in specified paragraph: (i) the failure to pay any amounts owing by buyer to seller hereunder, and if, and only if, such failure to pay is not cured by buyer within one (1) business day following its receipt of written notice from seller of such failure to pay; (ii) any representation or warranty made herein by buyer proves to have been materially false or misleading; (iii) the failure of buyer to perform any term, condition, covenant, obligation or material provision to be performed, kept and/or observed under this agreement in the manner and within the times set forth hereunder and, except with respect to any default relating to payment, the expiration of thirty (30) days written notice and failure to cure such default during the same thirty (30) day period; or (iv) a Force Majeure Event which suspends performance by buyer under this agreement for a consecutive period of more than one hundred twenty (120) days. (v) in the event of a transfer of all or substantially all of buyer's assets in fraud of creditors, or generally failing to pay its debts as such debts become due, or admitting in writing its inability to pay debts generally or a general assignment for the benefit of creditors; or if any proceeding shall be instituted by or against buyer seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of debt under any law relating to bankruptcy, insolvency, reorganization or relief which proceeding, if filed against buyer, remains pending and is not otherwise dismissed or terminated within sixty (60) calendar days from its commencement; or if buyer shall suffer the appointment of a receiver, trustee or other similar official or for any substantial part of buyer's property, which appointment is not terminated or discharged within sixty (60) calendar days.

* The occurrence of any of the following, shall constitute a default hereunder by buyer, which shall give seller the rights set forth in specified paragraph: (i) the failure to pay any amounts owing by buyer to seller hereunder, and if, and only if, such failure to pay is not cured by buyer within one (1) business day following its receipt of written notice from seller of such failure to pay; (ii.) the failure of buyer to perform any term, condition,

covenant, obligation or material provision to be performed, kept and/or observed under this agreement in the manner and within the times set forth hereunder and, except with respect to any default relating to payment, the expiration of thirty (30) days written notice and failure to cure such default during the same thirty- (30) day period; or (iii.) a Force Majeure Event which suspends performance by buyer under this agreement for a consecutive period of more than one hundred twenty (120) days.

* For purposes of this agreement, either party shall be deemed to be in default if a) a party defaults in the performance of a material obligation under this agreement and fails to cure such default within fourteen (14) days following receipt of written notification of such default from the other party, or such longer period as reasonable required to cure such default, but in no event more than thirty (30) days after receipt of the notice of default; or (b) a party is adjudged bankrupt, is insolvent, makes an assignment for the benefit of creditors, or takes other similar action.

* For the purposes of this agreement, either party shall be deemed to be in default if: (1) a party defaults in the performance of a material obligation under this agreement and fails to cure such default within fourteen (14) days following receipt of written notification of such default from the other party; or such longer period as reasonable required to cure such default, but in no event more than thirty (30) days after receipt of the written notice; or (2) a party is adjudged bankrupt, is insolvent, makes an assignment for the benefit of creditors, or takes other similar action. In the event of a default by either party, the other party, in addition to its other rights and remedies under applicable law, may terminate this agreement by providing written notice to the defaulting party. Termination of this agreement shall not relieve any party of any liability accrued for, nor effect the continued operation or enforcement of any provision of this agreement which by its terms is to survive termination. Nothing herein shall prevent any party from seeking specific performance or damages for breach in respect of any right or obligation contained in this agreement. In no event shall a termination of this agreement relieve either party from paying the other party for any amounts due. The rights and remedies set forth in this subsection are non-exclusive and shall be in addition to any other rights or remedies that may otherwise be available at law or equity.

* The occurrence of any of the following shall constitute a default hereunder by seller, which shall give buyer the rights set forth in paragraph below: (i) the failure to pay any amounts owing by seller to buyer hereunder, and if, and only if, such failure to pay is not cured by seller within one (1) business day following seller's receipt of written notice from buyer of such failure to pay; (ii) any representation or warranty made herein by seller proves to have been materially false or misleading; (iii) the failure of seller to perform any term, covenant, condition, obligation or material provision to be performed, kept and/or observed under this agreement in the manner and within the times set forth hereunder and, except with respect to any default relating to a payment obligation due from seller to buyer or any obligation of seller under the Nutrition Standards or Antibiotic Withdrawal Program, the expiration of thirty (30) days written notice and failure to cure such default during the same thirty (30) day period; (iv) a Force Majeure Event which suspends performance by seller under this agreement for a consecutive period of more than one hundred twenty (120) days; (v) actual or attempted foreclosure, levy, seizure, attachment or deed in lieu of foreclosure of any of seller's facilities or herd; (vi) actual or attempted levy, seizure or attachment of any hogs arising out of or resulting from an action or claim against seller; (vii) in the event of a transfer of all or substantially all of seller's assets in fraud of creditors, or generally failing to pay its debts as such debts become due, or admitting in writing its inability to pay debts generally or a general assignment for the benefit of creditors; or if any proceeding shal1 be instituted by or against seller seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of debt under any law relating to bankruptcy, insolvency, reorganization or relief which proceeding, if filed against seller, remains pending and is not otherwise dismissed or terminated within sixty

(60) calendar days from its commencement; or if seller shall suffer the appointment of a receiver, trustee or other similar official or for any substantial part of seller's property, which appointment is not terminated or discharged within sixty (60) calendar days; or (viii.) the hogs fail to meet the Annual Lean Requirement in any rolling 12 month period, pursuant to specified paragraph.

General Contract Terms - Dispute Resolution

* Claims, disputes or other matters in question between the parties to this agreement arising out of or relating to this agreement or breach thereof and not resolved through the foregoing mediation process shall be subject to and decided by arbitration in accordance with the rules of the American Arbitration Association currently in effect unless the parties mutually agree otherwise. Demand for arbitration shall be filed in writing with the other party to this agreement and with the American Arbitration Association. A demand for arbitration shall be made within a reasonable time after the claim; dispute or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statutes of limitations. Any arbitration arising out of or relating to this agreement shall include, by consolidation or joining of any additional person or entity not a party to this agreement who is substantially involved in a common question of fact or law, and whose presence is required if complete relief is to be afforded in the arbitration. The foregoing agreement to arbitrate shall be specifically enforceable in accordance with specified state law in the courts of the specified state in and for the specified count, unless another location is mutually agreed upon.

* Seller hereby consents, and waives any objection, to jurisdiction and venue in federal and state courts in specified state in any action by buyer to enforce this agreement or an arbitration decision related to this agreement.

* Any legal suit, action or proceeding arising out of or based upon this agreement or the transactions contemplated hereby may be instituted in federal or state court in the federal judicial district in which the principal part of the performance takes place under the agreement and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding, service of process, summons, notice or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

* If it becomes necessary to enforce this agreement/guarantee or any provision thereof by suit or by placing it into the hands of an attorney or other agent of buyer for collection or enforcement, even if suit does not result, seller agrees to pay buyer's reasonable attorneys' fees and other costs incurred in enforcing this agreement.

* Any controversy or claim arising out of or relating to this agreement, or the breach thereof, shall be settled solely and exclusively by binding arbitration conducted in accordance with the then governing Commercial Rules of the American Arbitration Association. The arbitrator must provide the parties a written opinion based applicable law, legal principals and precedent for any award. Any decision resulting from such arbitration proceeding shall be final and binding upon the parties hereto without right of appeal. Judgment upon any such decision may be entered in any court having jurisdiction thereof, or application may be made to such court for a judicial acceptance of the fees Incurred in arbitration, and the parties shall share costs of the arbitration

proceeding equally.

* If a dispute arises from or relates to this contract or the breach thereof (other than a dispute concerning specified section) and if the dispute cannot be settled through direct discussions the parties agree to endeavor first to settle the dispute in an amicable manner by mediation with the mediator, mediation date and location, as the parties may agree. All fees and expenses of any mediation proceedings shall be borne by the parties equally. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of evidence. Thereafter, any unresolved controversy or claim arising from or relating to this agreement or breach thereof shall be resolved by appropriate litigation.

* The parties hereby expressly waive any right to a trial by jury. Therefore, any dispute unresolved by negotiation or mediation shall be tried and resolved by the court.

* No action, regardless of form, arising out of this agreement may be brought by any party more than one (1) year after the cause of action has accrued.

* The decision of the arbitrator(s) in all disputes which are subject to this sub-article shall be final and binding upon the parties; provided, however, that upon the application of either party, an award of the arbitrators may be vacated in accordance with the specified provisions of specified Arbitration Act or because the award of the arbitrators does not comply with the terms and conditions of this agreement interpreted in accordance with specified law. Jurisdiction and venue for any such appeal arising in connection with this agreement shall be solely with the courts of the specified state and county. Buyer and seller hereby submit themselves to the exclusive jurisdiction of said courts, specifically waive their right to sue in any other court which might otherwise have jurisdiction and agree to accept service of any court process, order or other document by certified mail in lieu of personal service.

* Seller and buyer each expressly waive any and all claims to special, punitive, exemplary and consequential damages in relation to any claim arising out of this agreement.

* In the event of any dispute between the parties hereto with respect to this agreement, which is arbitrated, the prevailing party shall be entitled to reimbursement from the other party for its costs in conjunction with such arbitration or enforcement of the panel's decision, including reasonable attorney's fees and reasonable costs of arbitration (including, without limitation expert witness fees, mileage, witness fees and copying costs), which fees and costs shall also be determined by the arbitrators in the arbitration process specified in section.

* The parties waive any right to a jury in any action or proceeding to enforce or defend any rights under this agreement, or under any related document or agreement, and agree that any such action or proceeding shall be tried before a court and not before a jury.

* Notwithstanding anything to the contrary in this agreement, any dispute arising under this agreement shall be resolved in the federal judicial district where the principal part of performance of this agreement takes place.

* Any disputes under this agreement that are not resolved shall be resolved in a nonjury legal proceeding brought in a court of competent jurisdiction located in the federal judicial district in which the principle part of the performance takes place under this agreement. All parties to this agreement expressly waive any right to a trial by jury. [Seller and buyer hereby consent, and waive any objection, to an arbitration decision pursuant to specified section.]

* The forum for resolving any dispute among the parties that arises out of this agreement shall be located in the Federal judicial district in which the principal part of the performance takes place under this agreement. The parties agree to apply the laws of the specified state, except to the extent that doing so is prohibited by the law of the specified state in which the principal part of the performance takes place under the agreement.

* Any claim arising out of or related to this agreement shall be subject to mediation, which shall be a condition precedent to arbitration or litigation. Mediation shall be conducted in accordance with the Mediation Rules of the American Arbitration Association currently in effect. The request for mediation shall be filed in writing with the other party and with the American Arbitration Association. The parties shall share the mediator's fees and any filing fees equally. The mediation shall be held in specified location unless another location is mutually agreed upon. Agreements reached in mediation shall be reduced to writing and when executed by the parties, such agreement shall be enforceable in any court of competent jurisdiction.

* The notice of intent to arbitrate shall name one arbitrator. The party receiving the notice shall name the second arbitrator within 15 days following receipt of the notice or the moving party shall have the right to select the second arbitrator from a list supplied by the AAA In the event that these two arbitrators cannot agree upon a third arbitrator, then the third arbitrator shall be selected from a list provided by the AAA with the parties striking names from the list in alternating fashion. The party striking fast from the list shall be determined by the flip of a coin by the AAA, and the last name remaining on the list shall be the third arbitrator.

* If a dispute arises from or relates to this agreement or the breach thereof and if the dispute cannot be settled through direct discussions, the parties agree to endeavor first to settle the dispute in an amicable manner by mediation with the mediator, mediation date and location, as the parties may agree. All fees and expenses of any mediation proceedings shall be borne by the parties equally. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of evidence. Thereafter, any unresolved controversy or claim arising from or relating to this agreement or breach thereof shall be resolved in a nonjury legal proceeding brought in a court of competent jurisdiction located in the federal judicial district in which the principle part of the performance takes place under this agreement. The parties hereby expressly waive any right to a trial by jury. Therefore, any dispute unresolved by negotiation or mediation shall be tried and resolved by the court.

* Seller and buyer shall use their best efforts to settle any dispute, claim, question or disagreement arising out of or relating to this agreement or any alleged breach of this agreement. This agreement and the legal relations among the parties hereto shall be governed by and construed in accordance with the laws of the specified state. Any and all actions arising between the parties in respect of this agreement shall be brought in the specified state. The parties submit to the jurisdiction of, and do hereby agree to voluntarily appear in such courts.

* This agreement and the rights of the parties under this agreement shall be governed by and construed in accordance with the internal laws of the specified state not withstanding its conflicts of laws rules. Any controversy or claims arising out of or relating to this agreement, or the breach thereof, shall be settled solely and exclusively the binding arbitration conducted at specified location in accordance with the then governing rules of the America Arbitration Association (AAA). The parties shall use reasonable efforts to appoint one mutually acceptable arbitrator. If the parties cannot mutually agree on an arbitrator within thirty days of the notice of arbitration. Each party shall appoint one arbitrator, and these two arbitrators shall select a third. If the two arbitrators fail to appoint a third arbitrator within fifteen days after the appointment of the second arbitrator, the third arbitrator shall be appointed by the AAA at the request of either party. Any decision resulting from such arbitration proceeding shall be final and binding upon the parties hereto without right of appeal. Judgement

upon any such decision may be entered in any court having jurisdiction thereof, or application may be made to such court for a judicial acceptance of the fees incurred in arbitration, and the parties shall share cost of the arbitration equally.

* Guarantor irrevocably waives any claim, right or remedy which such guarantor may now have or hereafter acquire that arise hereunder and/or from the performance by any guarantor hereunder, including without limitation, any claim, remedy or right of subrogation, reimbursement, exoneration, indemnification, or participation in any claim, right or remedy of buyer against the undersigned as debtor whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise.

* Seller and buyer shall use their best efforts to settle any dispute, claim, question or disagreement arising out of or relating to this agreement or any alleged breach of this agreement. The parties agree in the event of a dispute or controversy arising out of or in connection with the meaning, application or performance of a term hereof, the parties shall meet and negotiate in good faith to resolve such dispute or controversy with such negotiations continuing until a party in good faith withdraws from the same. If a dispute is not resolved under this Article within a period of thirty (30) days, then neither party shall have any further obligation under this article with respect to such dispute.

* To assist the arbitration committee in its function as arbitrator, the committee may employ attorneys, certified public accountants, and any other person or persons to assist in arbitrating any matter.

* The parties will use good faith efforts to resolve disputes, claims or controversies that arise out of, or are in connection with, this agreement. In the event that a dispute, claim or controversy that relates to, arises out of, or in connection with, this agreement, or the parties' relationship pursuant to this agreement, cannot be resolved by agreement between seller and buyer. The parties may seek relief in a suit at common law subject to the provisions of this agreement. For purposes of disputes arising under this agreement, the forum for resolving any such dispute, claim or controversy shall be located in the federal judicial district in which the principal part of the performance of the agreement takes place. Notwithstanding the above, if the laws of the state in which seller is located require certain disputes, claims, or controversies to be submitted to mediation and/or arbitration, the seller will have the option to resolve the dispute, claim or controversy through a mediation and/or arbitration process in compliance with the laws of such state. Seller and buyer each expressly waive any and all claims to special, punitive, exemplary and consequential damages in relation to any claim arising out of this agreement

* Each party acknowledges and agrees that any controversy which may arise under this agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this agreement or the transactions contemplated hereby or thereby. Each party to this agreement certifies and acknowledges that) a) no representative of any other party has represented, expressly or otherwise, that such other party would not seek to enforce the foregoing waiver in the event of a legal action, (b) such party has considered the implications of this waiver, © such party makes this waiver voluntarily, and (d) such party has been induced to enter into this agreement by, among other things, the mutual waivers and certifications in this sections.

* Seller and buyer shall use reasonable efforts to settle any dispute, claim, question or disagreements arising out of, or relating to, this agreement or any alleged breach of this agreement. This agreement shall be governed by and construed in accordance with the laws of the specified state.

* Seller and buyer shall use [their best/commercially reasonable] efforts to settle any dispute, claim, question or disagreement arising out of or relating to this agreement or any alleged breach of this agreement. This agreement and the legal relations among the parties hereto shall be governed by and construed in accordance with the laws of the specified state (without regard to specified state's choice of law rules). Any and all actions arising between the parties in respect of this agreement shall be brought in the specified state. The parties submit to the jurisdiction of, and do hereby agree to voluntarily appear in such courts.

* The fees and expenses of the arbitration committee, including those of the persons employed to be of assistance to the committee, shall be borne of buyer and seller in such proportions as shall be determined by the arbitration committee.

* Upon the request of either party hereto for arbitration pursuant to specified paragraph, which request shall be in the form of a notice of intent to arbitrate, the matter in dispute shall be settled by arbitration before a board of three arbitrators. The site for the arbitration shall be at a location agreed upon by the parties. If the parties cannot agree upon a location, the arbitration shall be held in specified location. Except as is herein otherwise expressly provided, the arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. Unless the parties agree otherwise, the following shall apply in any arbitration between the Parties.

* This agreement contains a binding arbitration provision which may be enforce by the parties.

* The parties agree to the use of mediation to attempt to resolve any dispute between the parties arising out of or relating to this agreement. The mediator will have no authority to impose a settlement of any such dispute. Mediation will be conducted pursuant to the specified authority.

* The parties will use good faith efforts to resolve disputes, claims or controversies that arise out of or are in connection with, this agreement. If the parties cannot resolve any dispute, claim, controversy or other matter relating in any way to the interpretation or enforcement of this agreement, the sole remedy of the parties will be to submit the dispute or controversy to binding arbitration. If a party wishes to submit a matter to binding arbitration they must notify the other party by written notice. The written notice shall specify the issues the notifying party is submitting to binding arbitration. Within 10 days of the delivery of the notice of arbitration, each party will appoint an arbitrator from the American Arbitration Association's National Roster of Arbitrators and Mediators. The two arbitrators appointed by the parties shall select and appoint a third arbitrator from the American Arbitration Association's National Roster of Arbitrators and Mediators within 20 days of the delivery the notice of arbitration. Within 45 days of the appointment of the arbitrator, an arbitration hearing will be heard in specified location. The arbitration rules of the American Arbitration Association will be applied, the laws of the specified state shall be applied as necessary, and the rules of evidence of the specified state shall govern the presentation evidence therein. The arbitration hearing shall be concluded within five days of its commencement unless otherwise ordered by the arbitrators. The arbitrators shall render a decision within 14 days after the close of the submission of evidence. An award rendered by a majority of the arbitrators shall be final and binding on the parties, and a judgment on such award may be entered by either party in a state or federal court having jurisdiction

* Except as provided herein, any dispute, controversy, or claim arising out of or relating to this agreement, or the breach thereof, shall be settled by arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Any award made by the arbitration panel shall be binding on the parties and judgment thereon may be entered in any court having jurisdiction over the non-prevailing party or

parties. The costs of the arbitration shall be borne equally by the parties, provided that each party shall pay for and bear the costs of its own experts, evidence, and legal counsel unless otherwise agreed in writing.

* If mediation pursuant to specified section is unsuccessful, any dispute, controversy or claim rising out of or relating to this agreement shall be settled by arbitration conducted in accordance with specified state law by a panel of three arbitrators and who have no business affiliation with a party to this agreement (business affiliation shall be defined to mean the arbitrator has not received renumeration excess of$10,000 annually from a party) within the two (2) years prior to the date that an arbitration proceeding under this section is initiated. Either party to this agreement can initiate an arbitration proceeding by providing written notice to the other party to this agreement following conclusion of the mediation provided for above. The initiating notice shall: (i) set forth the nature of the dispute, controversy or claim arising out of or relating to this agreement; and (ii) state the name of one arbitrator meeting the criteria set forth in this section. Within thirty (30) days after the date of receipt of the initiating notice, the recipient of the initiating notice will send a notice to the party sending the initiating notice containing the name of one arbitrator (who is not the same as the arbitrator named in the initiating notice) meeting the criteria set forth in this section. The arbitrators selected by the parties must be individuals with at least fifteen (15) years business experience in the pork industry who are not attorneys; however, if the dispute is over the protocol for reviewing buyer business records pursuant to specified section the arbitrators selected must have at least fifteen (15) years of accounting and auditing experience. The two arbitrators selected by the parties shall then have ten (10) days after the date of selection of the last of the two arbitrators to select a third arbitrator. In the event that a party does not select an arbitrator by naming an arbitrator in the initiating notice or the responding notice, then the selection of such arbitrator shall be made in accordance with the procedures specified in the specified state Uniform Arbitration Act. All three arbitrators shall be designated as neutrals in such arbitration and the arbitration proceeding shall be conducted in accordance with the specified state Uniform Arbitration Act. Any award made by the arbitration panel shall be binding on the parties and judgment thereon may be entered in any court having jurisdiction over a party from whom damages are payable or any remedy has been imposed by the arbitration panel. The cost of the arbitration proceeding shall be borne equally by the parties, subject to the provisions of specified section of this agreement. Any amounts owed by one party to another party shall be paid within ten (10) days after the arbitration panel has rendered its final decision.

* The parties waive any right to a trial by jury in any action or proceeding to enforce or defend any rights under this agreement, or under any related document or agreement, and agree that any such action or proceeding will be tried before a court and not before a jury.

* Any controversy or claim arising out of or relating to this agreement, or the breach thereof, shall be settled by arbitration according to the rules then obtaining, of the American Arbitration Association or such other rules as it may designate. The American Arbitration Association is hereby authorized to make arrangements for any such arbitration to be held under such rules in specified location, unless the parties hereto agree upon some other location for the arbitration. This agreement to arbitrate shall be enforceable, and the judgment upon any award rendered by all or a majority of the arbitrators may be entered, in any court having jurisdiction thereof.

General Contract Terms – Jurisdiction

* This agreement shall be construed in accordance with the laws of the state where the principal production by seller occurs, without reference to the conflict of laws principles of such state.

* All judicial proceedings and actions arising out of or relating to this agreement shall be located in the federal judicial district in which the principal part of the performance takes place under this agreement.

* This agreement is being delivered and is intended to be performed in the specified state and shall be enforced and construed according to the laws of that state. Jurisdiction and venue for any disputes arising in connection with this agreement shall lie solely with the courts of the specified state in and for the specified county. Buyer and seller hereby submit themselves to the exclusive jurisdiction of said courts, specifically waive their right to sue in any other court which might otherwise have jurisdiction, and agree to accept service of any court process, order or other document by certified mail in lieu of personal service. [In the event of any litigation or legal action arising out of this agreement, the prevailing party will be entitled to recover its legal fees and costs from the non-prevailing party. Notwithstanding any contrary provisions of subsection (a) hereof the buyer and seller acknowledge and agree that, if the principal part of the seller's performance under this agreement takes place in a state other than specified state, and under the laws of the specified state the application of state law to the agreement is prohibited, then this agreement shall be enforced and construed according to the laws of the specified state. Seller and buyer also agree, notwithstanding anything to the contrary in this agreement, that any dispute arising under this agreement shall be resolved in the federal judicial district where the principal part of performance of this agreement takes place.]

* This agreement shall be governed by and construed in accordance with the law of the [specified state / state where the principal production by seller occurs] without regard to the conflict of laws principals of such state.

* Notwithstanding anything to the contrary in this agreement, any dispute arising under this agreement shall be resolved in the federal judicial district where the principal part of performance of this agreement takes place.

* This agreement shall in all respects be construed in accordance with and governed by the laws of the specified state. This agreement shall inure to the benefit of and be binding upon seller and buyer and their respective successors and permitted assigns.

General Contract Terms - Laws and Regulations

* No outstanding judgments, decrees, or orders of any court or any governmental or administrative agency against or affecting buyer that would materially interfere with buyer's ability to perform under this agreement.

* GIPSA (as defined below) has asserted that certain hog purchase agreements, including possibly this agreement, are (or may be) “swine production contracts” under the Packers and Stockyards Act, 1921, as amended (the “Act”). Although buyer disagrees with GIPSA’s assertion as described above, the parties agree that the following provisions apply to this agreement, notwithstanding anything to the contrary herein. In doing so, buyer does not acknowledge or agree that this agreement is a “swine production contract” for any purpose under the Act.

* Pork seller is in compliance with all applicable laws, whether federal, state, local or otherwise, regarding the production of hogs. Pork seller shall at all times be in compliance with all provisions of the then-current Common Swine Industry Audit as established by the National Pork Board.

* You are responsible for compliance of your market hog operation with all applicable federal, state, and local laws and regulations. Any noncompliance exposes you to fines and other enforcement actions.

* Seller is in compliance with all applicable laws (including, but not limited to, regulations, rules, codes and ordinances, whether existing or hereinafter created), whether federal, state, local or otherwise, including but not limited to all laws regarding the production of hogs, the construction, operation and maintenance of the facilities, and the performance of seller's obligations hereunder. Further, without limiting the foregoing, seller shall at all times be in compliance with all provisions of the then-current Common Swine Industry Audit as established by the National Pork Board.

* This agreement and the rights of the parties hereunder will be governed by and interpreted in accordance with the laws of the specified state without regard to conflict of laws principles, [except to the extent that doing so is prohibited by the law of the state in which the principal part of the performance takes place under this agreement, in which case this agreement and the rights of the parties hereunder will be governed by the state in which the principal part of the performance takes place under this agreement.]

* The laws of the specified state shall govern this agreement.

* You are responsible for obtaining all necessary permits to legally operate your facilities. Failure to obtain such permits may result in enforcement actions being taken against you by regulatory agencies.

* Seller hereby warrants and represents that, during the term of the agreement, it will maintain a bond as required by the Packers and Stockyards Act and the regulations promulgated under such Act. Such bond will guarantee the payment by seller to all hog owners for the delivery of hogs pursuant to this agreement. Seller shall furnish a copy of said bond upon execution of this agreement and will provide a copy of said bond at any time during the term of the agreement to buyer upon request by buyer. Failure of seller to maintain a bond will be deemed a default of the agreement, as set forth in specified section.

* Seller agrees that in the production and sale of hogs under this agreement, seller will not make any unlawful payments to government officials or make or receive any illegal bribe, illegal kickback or other similar illegal payments or gifts. If buyer has a reasonable basis to believe that seller has violated the foregoing, buyer shall have the right to request adequate and reasonable assurances of seller that ensure compliance with the terms of this provision.

* To the best knowledge of buyer and its officers and directors, there are: A No claims, lawsuits, or legal actions, or administrative, bankruptcy, arbitration, governmental investigations, or other proceedings pending or threatened against Yosemite that would materially affect buyer's ability to perform under this agreement, or any facts or circumstances that could reasonably be expected to lead to any of the foregoing, except for the litigation disclosed in specified exhibit.

* If either party believes that any provision(s) of this agreement potentially violates applicable law (including any federal, state or local statute or regulation, any amendment thereof, or any interpretation of applicable law by a court of competent jurisdiction), and that the potential violation(s) exposes that party to a risk of significant damage claims or fines, then that party may give written notice thereof to the other party. If the party giving such notice is made a defendant in any civil or criminal action that alleges performance of this agreement violates any law, then that party may for the next 30 days, at its option, either (1) suspend performance of this agreement, or (2) modify those provisions of this agreement relating to the alleged violations of law, to the extent that modifications are reasonably believed necessary to remedy the alleged violations of law. Within 30 days after the notice is given, the parties will negotiate in good faith to amend this agreement in order to bring it in compliance with applicable law. If the parties are unable to negotiate a satisfactory amendment within that 30

day period, then the party giving such notice will be entitled to (i) suspend performance of this agreement for the duration of any continued negotiations by the parties or pending completion of any civil or criminal action relating to this agreement, and/or (ii) terminate this agreement by written notice after either the end of the 30 day period, the termination of negotiations by the parties, or the completion of any civil or criminal action relating to this agreement.

* Seller must provide buyer with immediate notification of any contact with any federal, state or local government or agency, or any third party, which specifically relates to or provides notice of inspections that are not in the ordinary course of business for seller. Seller must provide buyer with immediate notification of any proceedings to issue, modify, amend, suspend or terminate any permit or letter of approval directly related to seller's operations. Seller must provide buyer with immediate notification of any alleged violations or violations of laws or permits by seller that are directly related to seller's operations; evidence of groundwater contamination by seller; and/or legal proceedings that are directly related to seller's operations. Seller will comply with buyer's reasonable requests for additional information relating to this section. Each immediate notification referenced in this section must be followed within specified business days by written notification.

* This agreement shall in all respects be construed in accordance with and governed by the laws of the specified state. This agreement shall inure to the benefit of and be binding upon seller and buyer and their respective successors and permitted assigns.

* The laws of the specified state shall be applied except to the extent that application of such laws is prohibited by the laws of the state in which the principal part of the performance takes place under this agreement. The provisions of this agreement are to be deemed severable, and the invalidity or unenforceability of any provision shall not affect or impair the remaining provisions which shall continue in full force and effect.

* In addition, seller shall not (i) use any funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to any political activity or to influence official action; (ii) make any direct or indirect unlawful payment to any foreign or domestic government official or employee (whether full-time or contract); (iii) make or receive any bribe, payoff, influence payment, kickback or other improper payment; or (iv) make any other similar type payments or gifts or give anything of value to any government official or employee that could be deemed a bribe or unlawful. If buyer has a reasonable basis to believe that seller has violated the foregoing, buyer shall have the right to request and audit all records of seller to ensure compliance with the terms of this provision.

* This agreement shall in all respects be construed in accordance with and governed by the laws of the specified state without regard to principles of conflicts of law.

* All judicial proceedings and actions arising out of or relating to this agreement shall be venued in the federal courts of the specified state, except that if federal jurisdiction is not legally applicable to the dispute, then the judicial proceedings or actions shall be venued in the state courts of specified counties. The parties consent to the personal jurisdiction of said courts and waive any argument that such forums are not convenient.

* Facilitator represents and warrants that it is registered with the United States Department of Agriculture to the extent required to perform its obligations hereunder. Facilitator agrees that it will continue to keep said registrations in full force and effect during the term of this agreement.

Swine Packer Marketing Contract Summary – National Other Provisions

* This agreement shall be governed by and construed in accordance with the law of the [specified state / state where the principal production by seller occurs] without regard to the conflict of laws principals of such state.

* Facilitator represents and warrants that it is registered with the United States Department of Agriculture to the extent required to perform its obligations hereunder. Facilitator agrees that it will continue to keep said registrations in full force and effect during the term of this agreement. Facilitator represents and warrants that the methods of making payment hereunder fully comply with all applicable local, state, or federal laws, regulations, permits, or orders. Facilitator agrees to indemnify and hold harmless buyer from and against all claims, demands, actions, penalties, fines, damages, losses, expenses (including but not limited to reasonable attorneys' fees and costs), and liabilities of any kind related to the payments that buyer makes directly to facilitator hereunder on behalf of the sellers, including but not limited to any enforcement actions relating to such methods of payment against buyer by the USDA, sellers, or any other agency or party.

* Buyer and seller shall comply with the regulations of the Packers and Stockyard Act, 1921 as amended (7 U.S.C. §§ 181 et seq.) and the regulations of the Packers and Stockyards Act as contained in the Code of Federal Regulations, Title 9, Chapter II and any amendments or supplements thereto.

* This agreement shall be governed and construed by the provisions hereof and in accordance with the laws of the specified state applicable to the agreements to be performed in the specified state.

* This agreement shall be governed by, and construed and enforced in accordance with, the laws of the specified state without regard to the conflict of laws and rules of the specified state or any other jurisdiction that would call for the application of the laws of any jurisdiction other than the specified state. Each party hereto hereby irrevocably consents, for itself and its legal representatives, partners, successors and assigns, to the exclusive jurisdiction of the courts of the specified state for all purposes in connection with any action or proceeding that arises from or relates to this agreement, and further agrees that any action arising from or relating to this agreement shall be instituted and prosecuted only in the courts of the specified state, and hereby waives any rights it may have to personal service of summons, complaint, or other process in connection therewith, and agrees that service may be made by registered or certified mail addressed to such party and sent in accordance with the provisions of specified paragraph.

* This agreement, the relationship of the parties, and all of their respective rights and obligations shall be construed and interpreted in accordance with the laws of the specified state, without giving effect to the principles of conflict of laws thereof.

* During the term of this agreement, seller shall comply in all respects with all laws (including, but not limited to, regulations, rules, codes and ordinances), whether federal, state, local or otherwise, applicable to the production of hogs, the construction, operation and maintenance of the designated production facilities, and the performance of seller's obligations hereunder, such laws to include, without limitation, those relating to protection of the environment, waste management, health or safety of persons, construction and site location of the designated production facilities, and livestock production.

* The parties intend that this agreement comply with the provisions of the specified state agricultural contracts law. Buyer intends to submit this agreement for certification of compliance with the law. The parties determined to proceed with this agreement prior to obtaining such certification and seller agrees to such amendments of this agreement as may be reasonably requested by buyer in order to obtain such certification.

Swine Packer Marketing Contract Summary – National Other Provisions

* Seller will operate the facilities and its entire productions system in compliance with the laws and regulations provided by the state and federal government. Seller will keep all records for environmental inspection, and any other inspection required by the state or federal government. Seller's production employees will be PQA Plus certified and will keep its certification updated. New employees will have a ninety (90) day period to complete PQA Plus certification. All truckers will be TQA certified. Seller will maintain its production system in its entirety and will operate using good husbandry practices. Seller will also follow all state regulations concerning the disposal of dead animals. Seller will maintain its production facilities and all equipment in good safe working order for the purposes to raise marketable animals for buyers. Seller will share annually the records of employees PQA plus, TQA, environmental, and any other state or federal inspected processes. Buyer shall have the right to review or visit facilities and records to confirm compliance with the terms of this agreement. Upon reasonable notice and compliance with reasonable biosecurity requests of seller, buyer, and/or its representatives shall have the right to inspect the facilities and records to confirm and verify that seller is fulfilling seller's responsibilities of meeting all applicable health and feeding programs or other production criteria and otherwise complying with all of the terms of this agreement; provided, however, no more than three (3) individuals representing buyer shall attend any inspection. Seller agrees to provide all supporting records and documentation upon request by buyer.

* Seller will operate seller's facilities and its entire productions system in compliance with the laws and regulations provided by the state and federal government.

* The seller and the buyer acknowledge that this agreement is, by its terms, to be enforced and construed· according to the laws of the specified state. However, if the principal part of the seller's performance under this agreement takes place in a state other than specified state, and under the laws of the performance state the application of specified state law to this agreement is prohibited, then this agreement shall be enforced and construed according to the laws of the performance state.

* Seller and its facilities must at all times be in material compliance with all applicable local, state, or federal laws, regulations, permits, or orders pertaining to environmental and food safety.

* Seller has not materially violated, and is not currently in material violation of any statutes, rules, regulations, ordinances, codes, orders, licenses, permits or authorizations applicable to the Facilities or the operation of seller’s business as currently conducted, including without limitation those relating to zoning, environmental protection, hazardous waste and toxic substance storage, transport, use and disposal, employment and occupational safety or health matters, in each case, if such violation would materially impair seller’s ability to perform hereunder. All licenses, permits, franchises and other governmental or quasigovernmental authorizations and approvals required or necessary for seller to carry on its business as currently conducted, are in full force and effect, or have been applied for.

* Buyer has not materially violated, and is not currently in material violation of any statutes, rules, regulations, ordinances, codes, orders, licenses, permits or authorizations applicable to the designated processing facility, including without limitation those relating to zoning, environmental protection, hazardous waste and toxic substance storage, transport, use and disposal, employment and occupational safety or health matters, in each case, if such violation would materially impair buyer’s ability to perform hereunder. All material licenses, permits, franchises and other governmental or quasi-governmental authorizations and approvals required or necessary for buyer to carry on its business as currently conducted, are in full force and effect.

* Each party shall comply with all local, state and federal laws, regulations and orders which may pertain to operations covered under the terms of this agreement.

* This agreement shall be governed by and construed in accordance with the internal laws of the specified state without giving effect to any choice or conflict of law provision or rule (whether of the specified state or any other jurisdiction), except to the extent that doing so is prohibited by the law of the state in which the principal part of the performance takes place under the agreement.

* This seller agreement will be construed in accordance with the law of the specified state. This seller agreement may be executed in any number of counterparts, each of which will be an original but all of which constitute one instrument. Even if buyer does not execute this seller agreement, it will be enforceable between facilitator and seller.

* This agreement shall in all respects be construed in accordance with and governed by the laws of the specified state, except to the extent of the choice of jurisdiction for resolution of any disputes.

* Seller/buyer has and shall conduct its business and operations in accordance with all applicable federal, state and local laws, regulations, rules and ordinances and good business practices, procedures and standards.

General Contract Terms - Misc. Definitions

* This agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

* This agreement may be executed in any number of counterparts, all which shall constitute one and the same instrument, and any party hereto may execute this agreement by signing one or more counterparts.

* This agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one agreement that is binding upon both of the parties hereto, notwithstanding that both parties are not signatories to the same counterpart.

* Person means any individual, corporation, limited liability company, limited or general partnership, trust, estate, unincorporated association, governmental entity or any other organization or entity.

* Control (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person through the ownership of more than 50 of the voting securities or equity of an entity.

* The language in all parts of this contract shall in all cases be construed as a whole according to its fair meaning, neither for nor against any party hereto, and without implying a presumption that the terms thereof shall be strict construed against one party by reason of the rule of construction that a document is to be construed more strictly against the person who himself or through his agent prepared the same, it being agreed that representatives of both parties have participated in the preparation hereof.

* This addendum will be interpreted and construed as though it is a part of the agreement. The terms and conditions of the agreement are hereby incorporated by this reference and govern this addendum and the parties.

* This agreement is to be deemed to have been prepared jointly by the parties hereto and any uncertainty or ambiguity existing herein, if any, shall not be interpreted against either party, but shall be interpreted according to the application of the rules of interpretation for arm's length agreements.

* This agreement may be executed in any number of counterparts, each of which will be an original but all of which constitute one instrument. Even if buyer does not execute this agreement, it will be enforceable between facilitator and seller.

* Seller or sellers means the Individual livestock sellers contracted with facilitator to deliver hogs pursuant to this agreement as set forth on specified exhibit. All sellers are subject to the prior approval of buyer as suppliers.

* Affiliate means, with respect to any specified person, any person that directly or indirectly controls, is controlled by, or is under common control with such specified person.

* Each and every provision of this agreement has been mutually negotiated, prepared and drafted; and, in connection with the construction of any provision hereof, no consideration shall be given to the issue of which party actually prepared, drafted, requested or negotiated any provision of this agreement or its deletion.

* Each provision of this agreement has been mutually negotiated, prepared and drafted, and in connection with the construction of any provision hereof, no consideration shall be given to the issue of which party actually prepared, drafted, requested or negotiated any provision of this agreement or its deletion. The headings of the paragraphs and subparagraphs of this agreement are inserted for convenience of reference only and shall not be considered a part hereof. All schedules attached hereto are incorporated herein by reference and hereby made a part of this agreement.

* The language of this agreement shall not be construed for nor against any party hereto regardless of which party drafted this agreement.

* This agreement may be executed in multiple counterparts each of which shall be deemed an original but all of which together shall constitute but one and the same instrument. Facsimile and electronic signatures shall constitute original signatures for all purposes of this agreement.

* This amendment may be executed in counterparts, and each counterpart taken together shall be deemed to constitute one and the same document. Electronic or facsimile copies shall be deemed to be originals for purposes of evidencing a party's execution hereof.

* This agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this agreement.

* Affiliate shall refer to (i) any person or entity directly or indirectly controlling, controlled by or under common control with a party to this agreement, (ii) any person or entity owning or controlling (legally or beneficially) 10 or more of the outstanding securities of a party to this agreement, (iii) any entity in which 10 or more of its outstanding securities are owned (legally or beneficially) by a party to this agreement, (iv) any person related by blood or marriage to any owner (legally or beneficially) of 10 or more of the outstanding

securities in a party to this agreement and any entity in which 10 or more of its outstanding securities are owned by or for the benefit of any such related person, (v) any officer, director or partner of a person or entity defined herein as an Affiliate, (vi) specified persons or entities and (vii) if any person defined herein as an Affiliate is an officer, director or partner, any entity for which such person acts in any such capacity.

* FDA shall mean the U.S. Food and Drug Administration.

* This agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but the several counterparts shall constitute but one and the same agreement.

* USDA shall mean the United States Department of Agriculture.

* Term shall mean and refer to the time period set forth in specified paragraph of this agreement.

* This agreement may be executed in one or more counterparts, all of which taken shall be construed as one document.

General Contract Terms - Other Agreements Between Parties

* The provisions contained herein, and in any addendum hereto executed by the parties hereto, constitute all of the terms and conditions of this agreement and supersede any and all prior agreements and understandings, written or oral. No changes or additions hereto shall be binding upon either party unless in writing and signed by an authorized representative of each party.

* Contemporaneously with this agreement the parties further desire to execute a new hog purchase agreement, attached hereto as specified exhibit and fully incorporated herein by this reference. The parties intend the effective date of the new agreement to be specified date.

* The parties represent to each other that no promise or agreement not expressed herein has been made to any other party, that this agreement constitutes the entire agreement between the parties for the purposes set forth herein, and that the terms of this agreement are contractual and not mere recitals. The parties also acknowledge that they have read this agreement, have been advised to and have had the opportunity to consult with legal counsel prior to executing this agreement, and they fully understand the terms of this agreement.

* Seller and facilitator are currently parties to agreement(s) and may from time to time during the initial term (as hereinafter defined) enter into additional agreements, pursuant to which seller agrees to use facilitator as its marketing agent. Consistent with the agreements, seller shall use facilitator as its marketing agent for all hogs sold by seller to buyer pursuant to this agreement.

* This agreement constitutes the entire agreement between the parties as it relates to the supply referenced in specified exhibit, and supersedes prior agreements related to such supply. This agreement does not modify any arrangement between the parties or their affiliates for market hogs supplied to other locations. This agreement can be modified only in writing signed by all parties hereto.

* Seller intends to enter into a new pig supply agreement, on or prior to the termination or expiration of the current pig supply agreements referenced above. The new pig supply agreement, and the supplier thereunder, shall be subject to the written approval of buyer, which approval shall not be unreasonably withheld Seller (1) shall provide buyer with a true and complete copy of such new pig supply agreement, as executed, (2) shall not amend such agreement without the written consent of buyer, which consent shall not be unreasonably withheld, and (3) shall provide buyer with a copy of any amendment or modification of such new agreement, and with notice of any default under such agreement by either party thereto. If Seller fails to enter into such new pig supply agreement by the termination or expiration of the current pig supply agreement, whichever is earlier, then buyer may, notwithstanding any provision to the contrary and in addition to all of its rights and remedies, terminate this agreement once the new pig supply agreement has been entered into by the parties thereto then seller shall comply with its obligations thereunder.

* This agreement shall become effective as of the commencement date and shall replace the agreement between the parties dated specified date and all amendments thereto. As of the commencement date, the prior agreement(s) shall be given no further force or effect and shall automatically terminate.

* This agreement shall constitute the entire agreement and understanding between the parties hereto with regard to the subject of this agreement, and there are no other agreements or understandings, oral or written, between the parties hereto with respect to this agreement.

* The parties agree to execute any additional documents and to take any additional action necessary to carry out this agreement.

* This contract contains the entire agreement between the parties, cannot be varied except by written agreement, and shall be binding upon the heirs, successors and assigns of the parties.

* This agreement (including the documents, exhibits and instruments referred to herein and hereby incorporated by reference) constitutes the entire agreement between the parties with respect to the subject matter of this agreement. This agreement supersedes any prior or contemporaneous oral or written agreement between the parties relating to the hog production operation supplying hogs under this agreement. This agreement may be amended or supplemented only in writing by the parties, and not by any course of dealing or prior performance.

* Seller acknowledges that facilitator may not have yet executed and entered into the final agreement. Seller acknowledges that if facilitator and buyer do not enter into the agreement, this seller contract is null and void. Seller will have no further claims against facilitator or buyer if the agreement is not entered into as contemplated herein.

* This agreement will supersede and replace the previous agreement dated specified date. The parties intend that the previous agreement and all amendments will continue only through midnight specified date and will forever terminate as of that date and time. The parties have resolved the notice of termination dated specified date delivered to seller by entering this agreement, which shall be effective as of specified date.

* This agreement contains the entire agreement between the parties and there are no oral promises, agreements, warranties, obligations, assurances, or conditions, expressed or implied, precedent or otherwise, affecting it.

Swine Packer Marketing Contract Summary – National Other Provisions

* All hogs and excess hogs delivered under this agreement shall be supplied to seller from specified provider for feeding and finishing at the designated production facilities. For such purposes, seller is a party to that certain weanling pig purchase agreement with specified provider dated specified date. Seller shall provide buyer with a true and complete copy of the weaned pig contract and any notices given under the weaned pig contract shall also be transmitted to the buyer. Seller shall not amend or otherwise modify the weaned pig contract without the written consent of buyer, which consent shall not be unreasonably withheld. In the event that the weaned pig contract is amended or otherwise modified, a copy of such amendment or modification shall also be provided to buyer. If at any time seller is in default under the weaned pig contract then seller shall also be in default under this hog purchase agreement.

* The entire agreement between buyer and seller is contained in this document and cannot be altered verbally. This agreement can be modified at any time by mutual agreement in writing, signed by both parties.

* This agreement constitutes the entire agreement between the parties relating to the subject matter hereof. No promises or understandings, either expressed or implied, exist between the parties with respect to the subject matter hereof unless contained in this agreement. This agreement supersedes all representations, warranties, commitments, offers, promises or contracts, of any kind or nature, whether oral or written, made prior to or contemporaneous with the execution of this agreement with respect to the subject matter hereof.

* This agreement represents the entire agreement of the parties on the subject hereof and shall supersede all prior representations and agreements whether oral or in writing between the parties with respect to any of the matters mentioned in this agreement.

* Buyer offers a loss protection program which protects seller against death loss to the hogs between the time the hogs leave seller's property until the hogs are unloaded at buyer. There is a fee deducted from seller's proceeds for such protection in the current amount of $0.50 per $100 value. Seller may decline from participating in the loss protection program by initialing here.

* Seller represents and warrants to buyer that it has, as of the date of this agreement, no outstanding rights, options or other contractual obligations which will prevent seller from delivering and selling the annual total production of hogs to buyer.

* If seller cancels this agreement according to the terms of this section, seller understands and agrees that any prior agreement between the parties or commitment by seller will continue in full force and effect and seller's obligations under such prior commitments and agreements will remain fully enforceable.

* Except as otherwise specifically discussed herein, this agreement and the exhibits and schedules attached hereto contain the entire agreement between the parties with respect to the subject matter hereof and supersedes in all respects any and all prior oral or written agreements or understandings between them pertaining to the transactions contemplated by this agreement. This agreement may not be altered, modified or changed except by written document duly executed by the party against which enforcement is sought.

* The execution and delivery by buyer of this agreement, and the acts contemplated hereunder, will not result in the breach of, or constitute default under, any agreement or other instrument or obligation to which buyer is a party or by which buyer or its property is bound, or violate any order, injunction, judgment or decree to which buyer is a party or by which it is bound.

Swine Packer Marketing Contract Summary – National Other Provisions

* This agreement constitutes the full and complete agreement of the parties.

* As of the effective date, this agreement shall cancel and replace that certain agreement between the parties dated specified date. As of the effective date, this agreement supersedes all other agreements, representations and negotiations between or by the parties hereto, whether oral or written regarding the subject of this agreement.

* This agreement shall constitute the entire agreement and understanding between the parties hereto with regard to the subject of this agreement, and there are no other agreements or understandings, oral or written, between the parties hereto with respect to this agreement. This agreement may be amended or modified by a writing executed by buyer and seller, or by any person authorized to act on their respective behalves. This agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but the several counterparts shall constitute but one and the same agreement.

* Facilitator/seller has a written weaned pig agreement or other comparable agreement with seller/facilitator for the supply of weaned pigs to support the fulfilment of the terms of this agreement until specified date and agrees to supply buyer with a copy of that weaned pig agreement between seller and facilitator or seller and a third party.

* This agreement constitutes the entire agreement between the parties and can be modified only in writing signed by all parties hereto.

* This agreement constitutes the entire agreement between the parties as it relates to the supply referenced in specified exhibit, and supersedes prior agreements related to such supply. This agreement does not modify any arrangement between the parties or their affiliates for hogs supplied to other locations. This agreement can be modified only in writing signed by all parties hereto.

* This agreement contains the entire understanding of the parties. This agreement may be modified or amended only upon the written agreement of all parties hereto.

* This agreement contains the entire understanding of buyer and seller with respect to the subject matter hereof and supersedes and cancels any and all prior negotiations, undertakings and agreements between buyer and seller with respect thereof.

* The parties hereto acknowledge and agree that each week, after the seller has sold buyer the minimum quantity of hogs as further identified on specified schedule, that seller at its sole discretion may enter into a similar arrangement with any other party including buyer during the term of this agreement to sell hogs farrowed to seller's sows in excess of the quantities provided in specified schedule.

* This agreement and the schedules to this agreement contain the entire understanding of buyer and seller with respect to the subject matter hereof and supersedes and cancels any and all prior negotiations, undertakings and agreements between buyer and seller with respect thereto. To the extent the terms of this agreement are inconsistent with the terms or requirements of GIPSA, the conflicting terms and conditions of GIPSA shall prevail and shall be deemed to be incorporated herein by this reference.

* Seller represents and warrants that, as of the commencement date, seller shall have no other contractual obligation with any other party related to the sale of hogs.

* This agreement represents the entire agreement of the parties on the subject hereof and shall supersede all prior representations and agreements whether oral or in writing between the parties and/or any predecessor in interest with respect to any of the matters mentioned in this agreement effective the date first above written.

General Contract Terms – Remedies

* The remedies of the parties under this agreement are cumulative and shall not exclude any other remedies to which any party lawfully may be entitled.

* Any lawsuits arising out of any dispute under this agreement shall be heard in the Federal judicial district of specified of facility. Seller and buyer each expressly waive any and all claims to special, punitive, exemplary and consequential damages in relation to any claim arising out of this agreement.

* Except as provided in specified section with respect to a default pursuant to specified section, the rights and remedies created by this agreement shall be cumulative and non-exclusive of those to which a party may be entitled at law or in equity, and the right or exercise of all such rights and remedies is hereby reserved. The use and availability of one remedy shall not be taken to exclude or waive the right to the use of another.

* The rights and remedies created by this agreement shall be cumulative, nonexclusive and in addition to any rights now or hereafter granted under applicable law or otherwise and to which a party may be entitled at law or in equity. The right to exercise any or all of such rights and remedies is hereby expressly reserved. The existence and pursuit of any one or more of the remedies available to a party shall not be taken to exclude or waive the right to the use of another.

* The rights and remedies set forth in this subparagraph are non-exclusive and shall be in addition to any other rights or remedies that may be available to either party at law or in equity.

* Except as provided in specified section with respect to a default pursuant to specified section, the rights and remedies created by this agreement shall be cumulative and non-exclusive of those to which a party may be entitled at law or in equity, and the right of exercise of all such rights and remedies is hereby reserved. The use and availability of one remedy shall not be taken to exclude or waive the right to the use of another.

* With respect to the matters required to be submitted to arbitration hereunder pursuant to specified paragraph, each party agrees that the arbitration provisions of this paragraph are its exclusive remedy and expressly waives any right to seek redress in another forum.

* The remedies described in this section will be considered cumulative, with the pursuit of any one or more remedies not preventing the pursuit of any other remedies that may be available.

* At any time that buyer has failed to make payment -within three (3) banking days of receipt of live market hogs, seller shall be entitled to suspend any further shipments until seller has been paid in full.

* Neither party shall be under any obligation to exercise any right or remedy which may be provided hereunder, and no failure to exercise any such right or remedy shall prejudice either party from exercising any other right or remedy available hereunder or under law or in equity. The rights and remedies provided hereunder shall not be considered exclusive or preclude any claim for damages or any further right or remedy Which may be

available under this agreement or under law or in equity.

* Should buyer fail to make payments for a period of seven (7) days, seller may suspend deliveries of hogs hereunder, but the exercise of such right shall be in addition to any and all other remedies to seller.

* In addition to all other rights and remedies available under the law, seller and buyer shall be entitled to all rights and remedies afforded buyers and sellers under the applicable Uniform Commercial Code.

* Buyer shall also have the right to offset against current and future amounts owed to seller under this agreement, any and all damages sustained by buyer as a result of seller's breach of this agreement, including without limitation seller's failure to deliver the quantity of hogs required under this agreement. [In the event that buyer has reasonable grounds to believe that seller's ability to perform under this agreement is impaired then buyer may in writing demand from seller adequate assurance of due performance, and buyer may suspend its performance under this agreement, if commercially reasonable to do so, until such adequate assurance is provided by seller. If seller fails to provide such adequate assurance within a reasonable time, not to exceed 30 days, then buyer may terminate this agreement. The rights and remedies set forth in this article are non-exclusive and shall be in addition to any other rights or remedies that may be available to buyer at law or in equity.]

* Notwithstanding the above, at any time buyer refuses delivery and/or fails to pay for hogs under this agreement, seller has the right to sell said hogs on the open market to a third party. Seller may also defer any payments due from buyer to a later date by executing a deferred payment agreement. Any payments deferred pursuant to said deferred payment agreement shall relieve buyer of any penalties under this article and buyer shall have unrestricted use and control over the deferred funds until they are paid to the seller.

General Contract Terms - Remedies for Default

* If either facilitator or seller is in default or buyer terminates this agreement for facilitator default or seller's default, then buyer will be entitled to recover damages pursuant to this section.

* Except as provided in specified section with respect to a default pursuant to specified section, the rights and remedies created by this agreement shall be cumulative and non-exclusive of those to which a party may be entitled at law or in equity, and the right of exercise of all such rights and remedies is hereby reserved. The use and availability of one remedy shall not be taken to exclude or waive the right to the use of another.

* The non-defaulting party shall have the right to seek and recover damages from the defaulting party that arise from any event of default. However, neither buyer nor seller shalt have the right to recover special, consequential or punitive damages on account of the occurrence of any event of default under this agreement.

* It is hereby acknowledged and agreed by the parties hereto that (X) because of the subject matter of this agreement, buyer may have paid to seller amounts for the hogs supplied hereunder which are materially less/more than the market value of such hogs at the time of such supply, and (Y) in the event of buyer's/seller's breach hereunder, the damages seller would sustain would be difficult, if not impossible to determine with certainty. In the event this agreement is terminated by seller prior to its expiration date as a result of an event of default by buyer/seller hereunder, buyer/seller shall pay to seller/buyer a sum, as liquidated damages, an amount equal to the greater of: (i) the aggregate amount by which the amounts paid to seller by buyer during the term of

this agreement, due to the matrix program and the determination of the price hereunder, were less/more than the aggregate normal market value for the hogs actually delivered to and accepted by buyer, multiplied by a fraction, the numerator of which is the total number of hogs which were required to be (sold to) / (purchased by) buyer hereunder during the term of this agreement but which were not (supplied to)/(purchased by) buyer as a result of the termination of this agreement, and the denominator of which is the total number of hogs which are required to be sold to buyer hereunder during the term; or· (ii) $20.00 per hog required to be purchased by buyer hereunder during the term but which was not so purchased because of the event of default by buyer/seller.

* If any seller defaults in performance of the obligations required by this section, seller will be liable to buyer for any and all liabilities, losses, damages, claims, judgments, costs and expenses (including without limitation reasonable attorneys' fees) incurred by buyer in connection with such seller's default, including any costs of collection from such seller (including without limitation reasonable attorneys' fees) incurred by buyer.

* If, in connection with a seller default, buyer elects to exercise clause (ii) of the buyer's right of setoff, then, unless buyer specifies to the contrary in the written notice by which it exercises clause (ii) of the buyer's right of setoff, seller will be obligated, in each full delivery year (or pro rata portion thereof if less than a full delivery year) during the five (5) year period commencing on the date of such exercise by buyer, to supply to buyer, as part of seller's annual quantity, the number of hogs equal to the difference between (i) seller's quantity immediately prior to such exercise by buyer, less (ii) seller's quantity immediately following such exercise by buyer. The number of default hogs that seller is obligated to sell to buyer for any given delivery year (or pro rata portion thereof if less than a full delivery year), as a result of all applicable prior exercises by buyer clause (ii) of the buyer's right of setoff: is referred to herein as seller's default quantity. For clarity, at the end of the applicable five (5) year period specified in this section, seller's default quantity, to the extent attributable to the applicable prior exercise by buyer of clause (ii) of the buyer's right of setoff, shall be reduced to zero (0).

* In the event buyer shall materially default upon its obligations hereunder and following buyer's failure to cure such material default within fifteen (15) days after notice to buyer in the event of a non-monetary default and within ten (10) days after notice to buyer in the event of a monetary default, seller may, at its sole option, terminate this agreement and its obligation to sell hogs, and shall be entitled to receive the monetary damages, if any, provided for in specified subsection below. Seller shall be under no obligation to exercise any right or remedy which may be provided hereunder, and no failure to exercise any such right or remedy shall prejudice seller from exercising any other right or remedy available hereunder

* If seller is in default, buyer may offset any amounts owed to buyer under the sections titled damages and indemnity against any amounts otherwise due and owing to seller under this agreement and any other agreement or transaction between the parties until all such amounts owed to buyer have been satisfied.

* It is hereby acknowledged and agreed by the parties hereto that, because of the subject matter of this agreement and the unpredictable and immeasurable damages which would result to buyer, in the event seller sells or otherwise transfers hogs to another person or entity, which hogs were contracted to be sold to buyer hereunder, or in the event that seller has failed to deliver to buyer the quantities of hogs designated herein, seller shall pay to buyer a sum, as liquidated damages, in an amount equal to all amounts paid to seller by buyer during the original term and any renewal term in excess of the buyer base market price for the hogs actually delivered to and accepted by buyer, plus $5.00 per market hog required to be sold to buyer hereunder, but not so sold.

* In the event of an uncured default by either party after the giving of applicable notice of default, the other party, in addition to its other rights and remedies under applicable law, may terminate this agreement by providing written notice to the defaulting party. Termination shall be complete upon receipt of the written notice by the defaulting party. Termination of this agreement shall not relieve any party of any liability arising prior to such termination or affect the continued operation or enforcement of any provision of this agreement which by its terms is to survive termination. Nothing herein shall prevent any party from seeking specific performance or damages for breach in respect of any right or obligation contained in this agreement. In no event shall a termination of this agreement relieve either party from paying the other party any amounts due to such other party. Seller agrees that if seller is in default of this agreement, may offset from the seller's proceeds for hogs delivered to any amount that may be owed to by seller under this agreement. The rights and remedies set forth in this subsection are non-exclusive and shall be in addition to any other rights or remedies that may otherwise be available at law or equity.

* Buyer losses means the number of hogs that seller failed to deliver as required by this agreement during each delivery period In which seller is in default, multiplied by the average carcass weight of hogs delivered during the delivery period, or average carcass weight of the most recent prior period in which seller sold Hogs if no Hogs were delivered during the default period, multiplied by the greater of 5.5 of the price at which buyer could have purchased hogs pursuant to this agreement or basis loss on the last day of the delivery period in default, plus any incidental or consequential damages that buyer may incur as a result of seller's failure to deliver the hogs. Basis Loss will be calculated as any positive difference between base carcass price adjustment to the CME Futures less the cash market defined as specified reported price less the CME futures price. The price at which buyer could have purchased hogs pursuant to this agreement will be determined without regard to any forward contract entered into by the seller.

* In the event of default, the non-defaulting party shall have any and all remedies that may exist at law or in equity, all such remedies being cumulative and non-exclusive and such remedies to include the right to seek indemnification; it being the agreement of the parties that each shall indemnify, defend and hold harmless the other of and from any and all loss, costs, liability, damage or expense, to include costs and attorneys' fees, caused by, arising from or may connection with the breach of this agreement by the other party.

* If at any time a seller is found to be in major noncompliance of the criteria set forth in this agreement, immediate and appropriate action will be taken. This may include, but is not limited to, stopping kill of that seller's hogs.

* Notwithstanding anything in this agreement to the contrary, in the event of default of this agreement, buyer reserves the right to pursue collection of any and all damages relating to the agreement, even if such damages exceed the amount due and nothing in this agreement shall be considered a waiver by buyer of any of its rights under the agreement.

* If seller is in default or we terminate this agreement for seller's default, then we shall be entitled to recover from seller the amount of losses and damages that we incur as a result of seller's default. These losses and damages may include but are not limited to direct, indirect, incidental and consequential damages. If we are in default or seller terminates this agreement for our default, then seller shall be entitled to recover from us the amount of losses and damages that seller incurs as a result of our default. These losses and damages may include but are not limited to direct, indirect, incidental and consequential damages.

* Without notice, the non-defaulting party may exercise all other rights and remedies available to it at law or in equity and/or under any other agreement or instrument by and between seller and buyer.

* If for any period during the term hereof seller fails to deliver the number of contracted hogs to buyer, then without declaring an event of default hereunder (but without waiving or limiting its right to do so as a result of such deficient delivery), buyer may collect from seller, or set-off against future amounts owed to seller hereunder, as buyer's liquidated damages for such deficient delivery, the amount by which buyer's costs (including incidental and consequential costs) to obtain hogs to replace those which seller failed to deliver for such period, exceeds the amount that buyer would have paid for such hogs under this agreement, if seller had not failed to deliver them.

* Upon any seller default, buyer may, at its option: with respect to seller's failure to deliver the quarterly minimum of hogs in accordance with this agreement, purchase hogs from a third party in cure of the hogs not delivered, and recover replacement damages (as calculated below) from seller, together with incidental and consequential damages, including, but not limited to, an amount equal to the difference in the net margin to buyer if such replacement hogs are lighter than those hogs required hereunder or if such replacement hogs are of a lower percentage lean than those hogs required hereunder, attorneys' fees and expenses and any other expenses incurred in collection of such damages; The replacement damages shall be calculated as follows: If the number of hogs delivered by seller for any quarter falls short of the minimum, replacement damages will be calculated by comparing the average total carcass cwt. price paid to seller for such quarter (assuming every day a price was reported by AMS was a day of delivery) to the average total carcass cwt. price paid by buyer for Open hogs during such quarter. If the latter price exceeds the market price, then the difference will be multiplied by 2.15 to determine the dollar per head damages for non-delivery of hogs. In the purchase of such replacement hogs, buyer agrees to use its best efforts to purchase hogs that are of like weight and percent lean as hogs. The remedy under this section shall be the exclusive remedy available to buyer for a seller default to deliver the quarterly minimum on account of disease pursuant to specified section; provided, however, if such failure is for any other reason pursuant to specified section, this remedy shall be in addition to the other rights and remedies set forth in this section. With respect to seller's failure to pay amounts owing buyer, set-off and apply any and all amounts owing by seller to buyer. Any outstanding amount hereunder which is not paid when due shall bear interest at the lesser of (i) the prime commercial lending rate, as published by The Wall Street Journal, plus two (2) percentage points; or (ii) the maximum rate allowed by law from the date when due until paid, said interest to be compounded annually and computed on the basis of a 360-day year; elect in writing to terminate this agreement and all rights and duties of the parties hereunder; exercise any and all other rights and remedies which buyer may have, at law or in equity, under the agreement; waive, in writing signed by buyer, any seller Default which occurs and any of the consequences of such seller Default. Any seller Default so waived shall for all purposes of this agreement be deemed to have been cured and not to be continuing; but no such waiver shall extend to any subsequent or other seller Default or impair any consequence of such subsequent seller Default; with respect to seller's failure to meet the average annual weight requirements of hogs, in addition to pursuing rights and remedies set forth in specified section hereof, seller shall pay buyer an amount equal to $0.15 per head for each pound that seller's hogs average weight is below 275 pounds on a calendar year basis times the number of head delivered during the year in question, or times 360,000, whichever is greater. Remedies Cumulative. Except as provided in specified section with respect to a default pursuant to specified section, the rights and remedies created by this agreement shall be cumulative and non-exclusive of those to which a party may be entitled at law or in equity, and the right of exercise of all such rights and remedies is hereby reserved. The use and availability of one remedy shall not be taken to exclude or waive the right to the use of another.

* Neither party shall be under any obligation to exercise any right or remedy which may be provided hereunder, and no failure to exercise any such right or remedy shall prejudice either party from exercising any other right or remedy available hereunder or under law or in equity. The rights and remedies provided hereunder shall not be considered exclusive or preclude any claim for damages or any further right or remedy Which may be available under this agreement or under law or in equity.

* If seller or buyer is in default for any reason except non-delivery, or buyer terminates this agreement for seller's or buyer's default for any reason except non-delivery, then buyer will be entitled to recover from that defaulting party the amount of losses and damages that buyer incurs as a result of the Default. These losses and damages may include but are not limited to direct, indirect, incidental and consequential damages.

* If seller is in default or buyer terminates this agreement for seller’s default, then buyer will be entitled to recover from seller damages pursuant to this section. (a) Non-Delivery of contracted hogs. For a default consisting solely of seller's failure or refusal to deliver the number of hogs required by either the delivery schedule or other agreement between the parties, buyer's liquidated damages will be capped at an amount equal to the total number of contracted hogs to be delivered for the remaining term of this agreement multiplied by specified amount. Upon buyer's demand, seller will pay buyer cash in the amount of such damages within specified days of the date of buyer's demand or as otherwise agreed to by buyer, in writing, at buyer's discretion. If seller makes a timely payment of such damages, seller will no longer have any obligation to deliver hogs that are included in the calculation of such damages, and buyer will waive any additional claim for indirect, incidental or consequential damages. The parties agree that the above measure of buyer's damages is a reasonable estimation of buyer's costs to procure replacement hogs for the remaining term of this agreement. However, if seller does not timely pay the damages as set forth in this subsection, then buyer reserves the right to seek these damages plus other damages and remedies that it may have available to it at law or in equity. Examples of such other damages are indirect, incidental and consequential damages. Other Default by seller. If seller is in default for any reason except non-delivery, or buyer terminates this agreement for seller's default for any reason except non-delivery, then buyer will be entitled to recover from seller the amount of losses and damages that buyer incurs as a result of seller's default. These losses and damages may include but are not limited to direct, indirect, incidental and consequential damages

* Upon any seller default, buyer may, at its option: (i) with respect to any failure by seller to deliver hogs in accordance with this agreement, in addition to pursuing other rights and remedies set forth in specified paragraph, recover replacement damages from seller, together with incidental and consequential damages, including, but not limited to an amount equal to the difference in the net margin to buyer if buyer purchases replacement hogs that are lighter than the hogs required hereunder or if such replacement hogs are of a lower percentage lean than the hogs required herein, attorneys’ fees and expenses and any other expenses incurred in collection of such damages. If buyer elects to purchase replacement hogs, buyer shall attempt to purchase hogs that are of similar weight and percent lean as the hogs required herein; (ii) with respect to any failure by seller to pay amounts owing buyer, exercise buyer’s right of setoff, without presentment, demand, protest or other notice of any kind to seller, any such notice being hereby expressly waived by seller; (iii) elect in writing to terminate this agreement and all rights and duties of the parties hereunder; (iv) exercise any and all other rights and remedies which buyer may have, at law or in equity, under the agreement; (v) without limiting any other remedies under specified paragraph, with respect to any failure by seller to comply with the annual average weight provision of the average weight requirement during any delivery year require seller to pay to buyer an amount equal to $0.40 per head for each pound or fraction thereof that seller’s hogs average carcass weight is less than 205 pounds or more than 224 pounds during the delivery year, times the number of hogs delivered by seller during the delivery year; or (vi) without limiting any other remedies under specified paragraph, with

respect to any failure by seller to maintain a composite carcass belly fat iodine value at 72.0 or lower, seller shall pay buyer the amount per carcass cwt. as indicated in the table below times the total carcass weight for all hogs purchased from seller beginning on the kill date of the second consecutive composite iodine value test result greater than or equal to 72.1 is recorded until the kill date preceding a composite iodine value test result less than 72.1 is recorded. After the second consecutive composite iodine value test result greater than or equal to 72.1 is recorded, seller can instruct buyer to conduct up to two (2) additional composite iodine value tests during each subsequent thirty (30) day period until a composite iodine value test result less than 72.1 has been recorded; or second consecutive default composite iodine value test results, composite iodine value noncompliance penalty ($/Carcass Cwt.) 72.1 thru 74.9 $0.50 equal to or greater than 75.0 $1.25 (vi) waive, in writing signed by buyer, any seller default that occurs and any of the consequences of such seller default. Any seller default so waived shall for all purposes of this agreement be deemed to have been cured and not to be continuing; but no such waiver shall extend to any subsequent or other seller default or impair any consequence of such subsequent seller default.

* At any time seller is in default , buyer may adjust the price to be paid to seller to be equal to the lower of (i) the price calculated pursuant to specified section or (ii) buyer' 11:00 a.m. daily quoted market price for the applicable delivery plant for the day preceding delivery, as adjusted by specified section. Carcass buying program premiums and discounts will be determined on the basis of buyer' daily quoted market price whenever such price is used in determining the price to be paid to seller.

* Upon any buyer default, seller may, at its option: (i) with respect to any failure by buyer to accept delivery of hogs in accordance with this agreement, in addition to pursuing other rights and remedies set forth in specified paragraph, seller may resell the hogs in a commercially reasonable manner and recover from buyer the difference, if negative, between the sale amount (plus any additional expenses incurred and less expenses saved) and the amount to be paid under this agreement, together with incidental and consequential damages, including attorneys' fees and expenses and any other expenses incurred in collection of such damages; (ii) with respect to any failure by buyer to pay for hogs in accordance with this agreement, in addition to pursuing other rights and remedies set forth in specified paragraph, seller may withhold delivery of hogs, and/or sell the hogs in a commercially reasonable manner and recover from buyer the difference, if negative, between the sale amount (plus any additional expenses incurred and less expenses saved) and the amount to be paid under this agreement, together with incidental and consequential damages, including attorneys' fees and expenses and any other expenses incurred in collection of such damages; (iii) elect in writing to terminate this agreement and all rights and duties of the parties hereunder; (iv.) exercise any and all other rights or remedies which seller may have, at law or in equity, under this agreement by reason of buyer's default; or (v) waive, in a writing signed by seller, any buyer default that occurs and any of the consequences of such buyer default. Any buyer default so waived shall for all purposes of this agreement be deemed to have been cured and not to be continuing; but no such waiver shall extend to any subsequent or other buyer default or impair any consequence of such subsequent buyer default.

* A seller is expected to respond to the results and provide a corrective action for noncompliance to parameters of the buyer program as stated in above. A failure to provide corrective actions to any issues will result in exclusion from the buyer program. Once corrective actions have been approved and verified, the supplier can be re-established into the buyer program.

* If any party is in default, the non-defaulting parties will have the right to pursue any and all remedies available at law or in equity, including without limitation any remedies granted by this agreement, except as limited by the damages section below. The remedies will be considered cumulative, with the pursuit of any one

or more remedies not preventing the pursuit of any other remedies that may be available.

* If any party shall fail to observe or perform any covenant or provision contained herein, the affected non-breaching party shall give the breaching party written notice of said breach and if the breaching party has not cured the breach within thirty (30) days of such notice, the affected non-breaching party shall have the right to pursue any and all remedies it may have at law or in equity, including but not limited to the immediate termination of this agreement. The election of one remedy shall not foreclose the use of any other remedy)' and the remedies shall be considered cumulative not exclusive.

General Contract Terms - Rights/Obligations of Successors

* This seller agreement will inure to the benefit of seller and its heirs, successors and permitted assigns, and to the benefit of buyer and its successors and assigns, and will be binding upon seller and its heirs, successors and assigns.

* The rights and obligations under this agreement shall accrue to and be binding upon the successors and permitted assigns of the parties.

* Neither facilitator nor any seller has the right to assign this agreement or any of its rights or obligations under this agreement without buyer's prior written consent. Either facilitator or seller may, however, assign this agreement or any of its rights hereunder to its lender(s) as collateral security for any loan. This agreement will be binding on facilitator/seller heirs, successors and permitted assigns and on buyer's successors and assigns.

* Except as may be otherwise provided, this agreement and all the provisions hereof shall be binding upon and inure to the benefit of the parties and their respective heirs, beneficiaries, successors and assigns.

* This agreement shall be binding upon the parties hereto and their respective heirs, executors, successors and assigns. No part of that agreement may be modified without the written consent of both parties.

* Subject to buyer's prior written approval of any such assignment or transfer, any successor to the interest of seller and the hog farming operation from which the hogs contracted for under this agreement are supplied shall be fully responsible to continue to fulfill seller's obligations and commitments hereunder.

* The provisions of this agreement shall extend to the parties hereto and to their successors and permitted assigns.

* This agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which, consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

* This agreement shall inure to the benefit of and be binding on each party’s successors and assigns, including, without limitation, any successor-in-interest to the essential operating assets for purposes of this agreement of the assigning party. Any assignment, sale or other transfer of such party’s interests in its respective operations must include notice to the assignee that the assignment, sale or other transfer is subject to the terms and conditions of this agreement, and a copy of this agreement shall be provided to the assignee.

* The provisions of this agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This agreement may be assigned or transferred by buyer to any successor or transferee of buyer's applicable business or affairs.

* This personal guaranty shall inure to the benefit of us and our successors and assigns and be binding upon the guarantors and their heirs, successors and assigns.

General Contract Terms – Severability

* If any provision of this agreement conflicts with the law under which this agreement is to be construed or is held invalid or unenforceable by a court of competent jurisdiction, that provision will be deemed to be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable law.

* Any provision of this agreement which is prohibited by law or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. The parties to this agreement shall negotiate in good faith appropriate modifications to this agreement in order to eliminate any illegal or unenforceable provisions. In any such negotiations, the parties shall attempt, as nearly as possible, to produce the same economic, financial and tax effects as the provision that is prohibited or unenforceable. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, seller and Processor hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

* In the event that any part, term, or provision of this agreement is unenforceable, illegal or in conflict with any federal, state or local laws, such part, term or provision shall be considered severable from the rest of the agreement, and the remaining portion of the agreement shall not be thereby affected and this agreement shall be construed and enforced as if the agreement did not contain such part, term or provision.

* Each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision hereof shall be prohibited by or be invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this agreement.

* The provisions of this agreement are to be deemed severable, and the invalidity or unenforceability of any provisions shall not affect or impair the remaining provisions which shall continue in full force and effect.

* If any term or provision of this agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

* The invalidity of any provision of the guaranty as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

* In the event any part of this agreement shall be judged invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions of this agreement.

* If any one or more of the provisions contained in this agreement shall, for any reason be held invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability shall not affect any other provision of this agreement, and this agreement shall be construed as if that invalid, illegal or unenforceable provision had never been contained in this agreement.

* If any term or provision of this agreement is held to be illegal or in conflict with any federal, state or local law or regulation, the validity of the remainder of this agreement will not be affected. The rights and obligations of the parties will be construed and enforced as if this agreement did not contain the particular term or provision held to be invalid.

* If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable, it shall be ineffective only to the extent of such prohibition or unenforceability; and such prohibition or unenforceability shall not invalidate the balance of such provision to the extent it is not prohibited or unenforceable, nor invalidate the other provisions hereof.

General Contract Terms – Survival

* Any provisions of this agreement that by their terms have or may have application after the expiration or termination of this agreement will be deemed to the extent of such application to survive the expiration or termination of this agreement. Examples of such provisions are the sections titled Remedies, Damages, Indemnity, Right of Offset, Entire agreement; Amendment, Governing Law, Jurisdiction and Venue, Mediation, and if applicable, Personal Guaranty.

* The indemnity obligations of buyer and seller under this paragraph shall survive the termination of this agreement.

* All covenants, agreements, representations and warranties made in the agreement by either party shall be deemed to be material and to have been relied upon by seller or buyer, as the case may be, and shall survive the making and termination of this agreement.

* The foregoing agreements of indemnity between buyer and seller shall survive the term and any termination of this agreement for a specified period.

General Contract Terms – Termination

* If the other party is in default, the non-defaulting party may terminate this agreement by written notice to the defaulting party. Upon delivery of such a written notice of termination this agreement will immediately terminate. Notwithstanding any provision in this agreement to the contrary, buyer may immediately terminate this agreement if: (i) the hogs subject to this agreement become endangered, as determined by buyer in its sole discretion, (ii) seller violates any local, state, or federal laws, regulations, permits or orders pertaining to environmental safety, or (iii) seller violates any local, state, or federal laws, regulations, permits, or orders pertaining to food safety. The parties' obligations under this agreement will survive termination as provided in

the section titled Survival of Provisions.

* Termination of this agreement shall not relieve any party of any party of any liability accrued or for any breach hereunder, nor affect the continued operation or enforcement of any provision of this agreement which by its terms is to survive termination. Nothing herein shall prevent any party from seeking specific performance or damages for breach in respect of any right or obligation contained in this agreement.

* If the other party is in default, the non-defaulting party may terminate this agreement by written notice to the defaulting party. Upon delivery of such a written notice of termination this agreement will immediately terminate. Notwithstanding any provision in this agreement to the contrary, buyer may immediately terminate this agreement if: (i) the hogs subject to this agreement become endangered, as determined by buyer in its sole discretion, (ii) seller violates any local, state, or federal laws, regulations, permits or orders pertaining to environmental safety, or (iii) seller violates any local, state, or federal laws, regulations, permits, or orders pertaining to food safety. The parties' obligations under this agreement will survive termination as provided in the section titled Survival of Provisions. If buyer discontinues harvesting hogs at the delivery plant(s) designated in the delivery schedule, then buyer will at its option (1) terminate this agreement by written notice to seller, or (2) notify seller of the new designated delivery plant(s) to which seller must deliver contracted hogs. Buyer will pay seller for any additional freight costs incurred by such delivery pursuant to buyer' then current standard livestock freight schedule. Seller may cancel this agreement by mailing a written cancellation notice to buyer at the address set forth below by the earlier of (i) three business days after seller's receipt of the signed agreement or (ii) ten business days after the effective date. The written notice of cancellation will be deemed mailed on the date of the postmark on the envelope. The written notice of cancellation should reference the agreement number and seller number referenced in this agreement. If seller cancels this agreement according to the terms of this section, seller understands and agrees that any prior agreement between the parties or commitment by seller will continue in full force and effect and seller's obligations under such prior commitments and agreements will remain fully enforceable.

* Any party may terminate this agreement by giving not less than one (1) month written notice to the other in any of the following events: (a) If the other party commits a breach of any obligation assumed or implied under this agreement and, if capable of remedy, such party fails to remedy the same within one (1) month after being required to do so with written notice; if such breach is not capable of remedy, then the termination shall be effective upon the receipt of such notice; (b) If the other party ceases to pay its debts in the ordinary course of business or cannot pay its debts as they become due; (c) If a receiver is appointed to take possession and control the other party's property or assets; or (d) If the other party ceases or proposes to cease carrying on the business of hog production or hogs slaughtering, as the case may be, or makes arrangements or composition with its creditors. Seller agrees that if seller invokes the provisions of this subsection (d) then the otherwise applicable obligations of buyer will terminate with respect to the purchase of hogs associated with the seller's ceased operations.

* 1 day notice to terminate by seller or buyer

* In the event of a buyer/seller default, seller/buyer may terminate this agreement by providing written notice to buyer/seller.

* If either facilitator or seller is in default or buyer terminates this agreement for facilitator default or seller's default, then buyer will be entitled to recover damages pursuant to this section.

* Notwithstanding any provision in this agreement to the contrary, buyer may immediately terminate any seller agreement related to the agreement if: (i) the hogs subject to this agreement become endangered, as determined by buyer in its sole discretion, (ii) seller violates any local, state, or federal laws, regulations, permits, or orders pe1taining to environmental safety, or (iii) seller violates any local, state, or federal laws, regulations, permits, or orders pertaining to food safety.

* A second major noncompliance action will result in void of agreement.

* In the event of seller default, buyer may terminate immediately and without prior notice, and buyer is afforded remedy provisions of specified section.

* Upon the start date, either party may terminate this amendment upon delivery of notice indicating the same to the other party to be effective for the then current amount of seller hogs provided weekly, provided that such termination shall not be deemed effective the later of (a) six months or (b) such termination date indicated in the notice that is at least six months from the non-terminating party's receipt of such notice. Following such termination, the agreement shall continue at specified loads per week under the specified date amendment to the agreement, and the obligation to supply seller hogs shall cease and facilitator shall replace those hogs with other hogs.

* Either party may cancel this agreement by delivering a written notice of cancellation to the other party within three business days of the date seller receives a fully executed copy of this hardcopy. If a written notice of cancellation is not mailed within three business days of the date seller receives a fully executed copy of this agreement, the term of this agreement shall begin on specified date, and shall end three months thereafter.

* In the event buyer shall materially default upon its obligations hereunder and following buyer's failure to cure such material default within fifteen (15) days after notice to buyer in the event of a non-monetary default and within ten (10) days after notice to buyer in the event of a monetary default, seller may, at its sole option, terminate this agreement and its obligation to sell hogs, and shall be entitled to receive the monetary damages, if any, provided for in specified subsection below. Seller shall be under no obligation to exercise any right or remedy which may be provided hereunder, and no failure to exercise any such right or remedy shall prejudice seller from exercising any other right or remedy available hereunder

* In the event of a change in control of seller/buyer, then buyer may, at buyer's/sellers sole option, terminate this agreement on sixty (60) days written notice to seller/buyer. Change in control shall mean that specified persons/company, shall own less than 51 of the common, preferred, or other stock, voting, or other ownership interest entitled to vote for and/or elect the directors of seller/buyer or an individual or entity other than specified persons/company exercises more than 50 of the management or day to day operational control of seller/buyer.

* In the event that one or both parties choose to end this contract before the five years has been completed the parties involved must give 180 day's notice before termination.

* If any hogs that are subject of this agreement have health-related issues that result in such hogs being unfit for human consumption, buyer shall give seller and facilitator notice of such issues. Seller shall have 60 days after receipt of such notice to resolve such issues to buyer's satisfaction. If seller fails to do so within such time frame then buyer may terminate this agreement. This agreement shall terminate at the end of the initial term unless each of the parties has agreed to renew the agreement at least 60 days prior to the end of the initial term.

* This agreement may be terminated as follows: (i) The date the appropriate party hereto terminates this agreement following an event of default in accordance with either specified paragraph; or (ii) At either party's option, specified months after written notice by one party to the other party, provided that such written notice may not be given until on or after specified date.

* Termination of this agreement shall not relieve any party of any liability accrued for, nor affect the continued operation or enforcement of any provision of this agreement which by its terms is to survive termination. Nothing herein shall prevent any party from seeking specific performance or damages for breach in respect of any right or obligation contained in this agreement.[In no event shall a termination of this agreement relieve either party from paying the other party for any amounts due. In addition, in the absence of wonton or reckless conduct, neither party shall be liable to the other for special, consequential, or punitive damages. The rights and remedies set forth in this subsection are nonexclusive and shall be in addition to any other rights or remedies that may otherwise be available at law or equity.]

* If buyer exits the hogs processing business it may terminate this agreement. Upon such termination any amounts in the deficiency account will be repaid by seller within 60 days, any amounts in the reserve account will be repaid by buyer in 10 days, and there will be no further obligations by either party under this agreement.

* A party may at its option terminate this agreement immediately if the other party fails in any obligation undertaken hereunder and if such a failure continues for a period of ninety (90) days after receipt by the defaulting party of written notice of such failure, except that with the failure of any obligation to pay money, such failure shall continue for only three (3) days after such receipt. Any termination of the agreement shall not effect the obligation of a party to remit payment to another party for amounts due and payable at the time of such termination. If for any reason not acceptable in the scope of this agreement seller fails to deliver the requisite number of hogs required under this agreement, buyer damages for such failure shall be limited to buyer's cost to replace such deficit number of hogs which exceed those that buyer would have incurred had it purchased such deficit number of hogs from seller under this agreement.

* In addition to any rights to terminate this agreement, which are expressly set forth elsewhere herein, either party shall have the right to terminate this agreement by written notice to the other party if (i) such other party makes a general assignment for the benefit of creditors or is unable to pay its debts generally as they become due; or (ii) an order, judgment or decree is entered adjudicating such other party bankrupt or insolvent; or (iii) any order for relief with respect to such other party is entered under the U.S. Bankruptcy Code; or (iv) such other party petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of such other party or of any substantial part of the assets of such other party; or (v) such other party commences any proceeding (other than a proceeding for the voluntary liquidation and dissolution of a wholly-owned subsidiary) relating to such other party under any bankruptcy, reorganization, agreement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction; or (vi) any such petition or application is filed, or any such proceeding is commenced, against such other party and either (x) such other party by any act indicates its approval thereof, consent thereto or acquiescence therein, or (y) such petition, application or proceeding is not dismissed within sixty (60) days.

* Either party may terminate this agreement for cause, in whole or in part, as of the date specified in a termination notice, if the other party materially breaches its obligations under this agreement and does not cure the material breach giving rise to the right to terminate within a reasonable period after receipt of such notice. The provisions of this agreement that expressly or by their nature contemplate performance or observance after the purchase document terminates or expires will survive and continue in full force and effect.

* Seller may terminate this agreement by mailing a written termination notice to buyer within three (3) business days after seller receives a copy of the fully signed agreement. The written notice of termination will be deemed mailed on the date of the postmark on the envelope.

* If the other party is in default, the non-defaulting party may terminate this agreement by written notice to the defaulting party. Upon delivery of such a written notice of termination this agreement will immediately terminate. Notwithstanding any provision in this agreement to the contrary, buyer may immediately terminate this agreement if: (i) the hogs subject to this agreement become endangered, as determined by buyer in its sole discretion, (ii) seller violates any local, state, or federal laws, regulations, permits or orders pertaining to environmental safety, or (iii) seller violates any local, state, or federal laws, regulations, permits, or orders pertaining to food safety. The parties' obligations under this agreement will survive termination as provided in the section titled Survival of Provisions. If buyer discontinues harvesting hogs at the delivery plant(s) designated in the delivery schedule, then buyer will at its option (1) terminate this agreement by written notice to seller, or (2) notify seller of the new designated delivery plant(s) to which seller must deliver contracted hogs. Buyer will pay seller for any additional freight costs incurred by such delivery pursuant to buyer' then current standard livestock freight schedule.

* Buyer/seller may terminate this agreement any time after specified date by giving seller a one (1) year written notice. For purposes of clarity, one year written notice may be given any time on or after specified date. In the event of a seller/buyer default, buyer may terminate this agreement immediately or effective upon a future date by providing written notice to seller/buyer.

* If buyer discontinues harvesting hogs at the delivery plant(s) designated in the delivery schedule, then buyer will at its option (1) terminate this agreement by written notice to seller, or (2) notify seller of the new designated delivery plant(s) to which seller must deliver contracted hogs. Buyer will pay seller for any additional freight costs incurred by such delivery pursuant to buyer's then current standard livestock freight schedule.

* In addition, the term of this agreement may end sooner if: (i) material changes are made to the law related to the category under which pork products from the hogs must be labeled and/or sold; and (ii) seller and buyer cannot agree to a pricing method in response to the change to the law. In this event, either party may give the other 10 months advance written notice to exit and terminate the agreement by following the provisions of specified section.

* In the event that either party hereto determines that the health of the agreement sows has deteriorated such that the seller is unable to fulfill the requirements of this agreement, seller shall have the right, upon providing written notice to buyer, to depopulate and cull the agreement sows. Seller shall use its best effort to repopulate the agreement sows in a timely manner, whereupon the repopulated sows shall constitute the agreement sows hereunder. In the event of the repopulation of the sows the original termination date of the agreement will not be adjusted unless mutually agreed to by buyer and seller.

* The non-defaulting party may, at its sole option, terminate this agreement and its obligation to sell or purchase hogs hereunder shall immediately cease in addition to any and all other rights and remedies that party may have hereunder and/or under applicable law or in equity.

* Seller's specified date written notice of termination of agreement, delivered to buyer pursuant to the terms of specified section of the agreement, is hereby rescinded at the request of the seller. Specified section of the

agreement is further amended to specify that the term of the agreement as defined in specified section shall end specified months after either party to this agreement has given the other party a written notice of termination, unless terminated earlier pursuant to the provisions of this agreement. All other provisions of specified section not rescinded herein or otherwise amended herein remain in full force and effect.

* The seller shall notify the buyer immediately in the event of adverse developments such as disease or inability to feed hogs, and the buyer shall have the right to terminate the contract and the specified paragraph hereof shall apply. Notifications should be sent to specified address.

* If a seller is in default, either buyer or facilitator may terminate such seller's agreement upon written notice to the other two parties. Upon delivery of a written notice of termination to a defaulting seller and the other party, such seller agreement will immediately terminate. Such termination will not terminate this agreement or any other seller agreement hereof. Facilitator will have specified days to replace the terminated seller and cure with respect to any damages incurred by buyer. Notwithstanding any provision in this agreement to the contrary, buyer may immediately terminate any seller agreement related to this agreement if: (i) any hogs grown by the seller (whether sold to buyer hereunder or not) become endangered, as determined by buyer in its sole discretion, (ii) such seller violates any local, state, or federal laws, regulations, permits, or orders pertaining to environmental safety, or (iii) such seller violates any local, state, or federal laws, regulations, permits, or orders pertaining to food safety. The parties' obligations under this agreement will survive termination as provided in the section titled Survival of Provisions; If buyer or facilitator is in default, the seller may terminate its seller agreement by written notice to buyer and facilitator. Upon delivery of a written notice of termination such seller agreement will immediately terminate. The parties' obligations under this agreement will survive termination as provided in the section titled Survival of Provisions; If buyer or facilitator is in default, the non-defaulting party (only buyer or facilitator and not any seller) may terminate this agreement by written notice to the defaulting party. Facilitator must immediately send or forward such notice to each seller. Upon delivery of a written notice of termination this agreement will immediately terminate. The parties' obligations under this agreement will survive termination as provided in the section titled Survival of Provisions; Discontinuance of Harvest Operations at Plant. If buyer discontinues harvesting hogs at the delivery plant(s) designated in the Overall Delivery Schedule or Delivery Schedules, then buyer will at its option (1) terminate this agreement and all seller agreements by written notice to facilitator, which notice facilitator will immediately forward to each seller, or (2) notify facilitator of the new designated delivery plant(s) to which sellers must deliver contracted hogs, which notice facilitator will immediately forward to each seller. Buyer will pay sellers for any additional freight costs incurred by such delivery pursuant to buyer's then current standard livestock freight schedule; Any seller may cancel its seller agreement by mailing a written cancellation notice to buyer at the address set forth below by the later of (i) three business days after seller's receipt of the signed seller agreement or (ii) ten business days after the effective date of such seller agreement. The written notice of cancellation will be deemed mailed on the date of the postmark on the envelope. The written notice of cancellation should reference the agreement number and seller number referenced in this agreement; If a seller cancels its seller agreement according to the terms of this section, such seller understands and agrees that any prior agreement or commitment between buyer and such seller will continue in full force and effect and such seller's obligations under such prior commitments and agreements will remain fully enforceable. Any cancellation of a seller agreement by a seller will not cancel this agreement or any other partial assignment of this agreement.

* If any money due under this agreement from either party to the other party is outstanding at the date of termination, the money shall remain due and payable notwithstanding such termination.

* Buyer may terminate this agreement effective the date any law or regulation requires buyer to purchase a minimum quantity of hogs in the spot market.

* We may terminate this contract prior to expiration of the term of the agreement if you are in default.

* In addition to its right to terminate as provided in specified paragraph, buyer may, at its option, immediately terminate this agreement, without protest, presentment, demand or further notice of any kind to seller, all of which are expressly waived, in addition to any and all other rights and remedies buyer may have hereunder and/or under applicable law or in equity, without prior notice to seller, and buyer shall have no further liability to seller, and it shall not constitute a default by buyer if: a Seller fails to maintain sufficient facilities, whether owned or contracted, and sufficient funds, in order to produce hogs in such quantities as to fulfill the terms of the agreement; b. Buyer shall sell substantially all of its assets or there shall occur a change in control of buyer or its parent company, whether by stock sale, merger, consolidation or otherwise; c. Buyer terminates and/or materially curtails its hog slaughtering operations; d. Either party hereto determines that the health of seller's sows has deteriorated such that seller is unable to fulfill the requirements of this agreement; or e. Buyer is advised by the Grain Inspections, Stockyards & Packers Administration of the U.S. Department of Agriculture (GIPSA) that the provisions of this agreement do not meet GIPSA requirements, whether now existing or hereafter adopted or enacted.

* The non-defaulting party may terminate this agreement, which termination shall be effective ninety (90) days after receipt by the defaulting party of written notice of termination given by the non-defaulting party. The termination of this agreement shall not relieve any party of obligation or liability arising prior to the termination, nor affect the continued operation or enforcement of any provision of this agreement which by its terms survives termination.

* Facilitator or seller, as applicable, must commit to supply hogs under the loose sow housing addendum for a minimum of specified years, with no right to terminate early except in the event of buyer's breach. The parties understand and agree that the minimum supply term for <Facilitator or seller begins with the first hog actually delivered to buyer by Facilitator or seller. If facilitator or seller, as applicable, has fulfilled or will (prior to termination) fulfill its commitment to the minimum supply term, then facilitator or seller, as applicable, may terminate this agreement as to facilitator or that seller only by providing buyer with specified months prior written notice. • Example A: If specified years of the minimum supply term has been completed, facilitator or seller may give buyer a written notice advising that facilitator or seller will terminate deliveries once the specified year of the minimum supply term has been completed. Example B: If facilitator or seller has been delivering hogs to buyer under this agreement for specified years, facilitator or seller may give buyer a written notice advising that facilitator or seller will terminate deliveries specified year following the notice. Any termination by facilitator or seller, as applicable, under this subsection will not affect the obligations of any other seller or facilitator for the remainder of the term.

* This agreement shall terminate at the end of the initial term unless each of the parties has agreed to renew the agreement at least specified period prior to the end of the initial term.

* Either party may terminate this agreement at the end of the initial term or at the end of any renewal term, by providing the other party written notice of such termination at least specified months prior to the end of such term. The effective date of such notice will be the end of the initial term or renewal term within which notice was given.

* Upon default of the provisions contained in specified sections by seller, buyer may, at its option, elect to terminate this agreement and all rights and duties of the parties immediately by giving written notice to seller. Upon any other default of this agreement by either party, the other party may, at its option, elect to terminate this agreement and all rights and duties of the parties by giving thirty (30) days written notice to the party in default.

* If buyer closes or sells any or all locations and buyer has offered seller the opportunity to consent to an assignment of this agreement and seller does not agree to such consent, then buyer shall have the right to terminate this agreement upon sixty (60) days' written notice: In the event of the temporary or permanent closure of one location, buyer may request seller to deliver hogs to another buyer location or a different hog buying station. In such event, buyer shall reimburse seller for any incremental transportation costs between the original location or hog buying station and the new location or hog buying station. Nothing in this agreement shall entitle seller to any indemnification, consequential, special, or punitive damages from buyer or its successors for losses or damages incurred by seller as a result of the temporary or permanent closure of one or all of the locations.

* In the event of a default, the non-defaulting party may terminate this agreement by providing written notice to the defaulting party.

* Either party may rescind and cancel this agreement by delivering a written notice of rescission or cancellation to the other party within three business days of the date seller signs this agreement. If a written notice of rescission or cancellation is not delivered within three business days of the date seller signs this agreement, the term of this agreement shall begin on specified date and shall end specified months after either party to this agreement has given the other party a written notice of termination, unless terminated earlier pursuant to the provisions of this agreement.

* Buyer can terminate this contract with specified period notice, and upon termination the seller will have to find another buyer for his/her market hogs.

* Upon seller's execution of this agreement, and execution of the new agreement, the agreement shall be considered terminated by the parties. Unless otherwise intended to survive the termination of the agreement, the mutual obligations made thereunder shall be considered satisfied by the parties in all respects.

* This agreement may be terminated as follows: (i) Seller may cancel this agreement by mailing a cancellation notice to buyer not later than three (3) business days after the date first written above; or (ii) The date the appropriate party hereto terminates this agreement following an event of default in accordance with either specified paragraphs. At either party’s option, specified period after written notice by one party to the other party, provided that such written notice may not be given until on or after specified date.

* We may decide not to extend this contract at the end of any term.

* Termination of this agreement shall not relieve any party of liability accrued or for any breach hereunder, nor affect the continued operation or enforcement of any provision of this agreement which by its terms survives termination. Nothing herein shall prevent any party from seeking specific performance or damages for breach in respect of any right or obligation contained in this agreement. [The rights and remedies set forth in this subsection are non-exclusive and shall be in addition to any other rights or remedies that may otherwise be available at law or equity.]

* Notwithstanding the foregoing, nothing in this section is intended to limit in any manner any other rights a party has to sooner terminate this agreement, whether such rights are provided expressly by this agreement or by operation of law.

* Termination notice shall mean a written notice given either by buyer or seller to the other in which the party initiating the notice advises the other of its intention to terminate this agreement.

* Termination date shall mean the first to occur of the following: (i) the date specified in a termination notice for termination of this agreement, provided that such date complies with the requirements of specified paragraph; (ii) the date specified in a termination notice for termination of this agreement given pursuant to specified paragraph, or (iii) the date a party terminates this agreement as provided in specified paragraph.

* If the seller's increased production changes the maximum annual total production to a longer notice period for termination under specified section, then under this agreement seller must give the longer notice period to terminate this agreement.

* Notwithstanding the foregoing, if buyer sells all or substantially all of the plants that make up its live pork processing division in a single transaction or in a series of related transactions, buyer shall make reasonable concerted efforts to assign this agreement to the buyer of such plant(s). The foregoing shall not apply to the extent buyer (or its parent, subsidiaries, or affiliates) sell such plants pursuant to any sale-and-leaseback transaction, other financing arrangement, bankruptcy proceeding, or forced sale.

* Upon the occurrence of any of the events described in specified sections, buyer, in addition to all of its other rights and remedies under applicable law (including, without limitation, the rights and remedies of a buyer under the Uniform Commercial Code), may terminate this agreement by providing written notice to seller. The termination shall be complete upon receipt of notice by seller.

* In the event of a buyer/seller default, seller/buyer, in addition to all of its other rights and remedies under applicable law any terminate this agreement by providing written notice to buyer/seller. The termination shall be complete upon notice to buyer/seller.

* In the event buyer permanently withdraws from the hog slaughter business in location(s), buyer may terminate this agreement by providing written notice to seller. The termination shall be complete upon receipt of notice and shall not constitute an event of default hereunder.

* In the event of a default, the non-defaulting party may terminate this agreement by providing written notice to the defaulting party that the agreement is terminated. Termination of this agreement does not relieve any party of liability accrued or for any breach hereunder, nor affect the continued operation or enforcement of any provisions of this agreement which by its terms survives termination. Nothing herein shall prevent any party from seeking specific performance or damages for breach in respect of any right or obligation contained in this agreement

* If the other party is in default and the default has not been cured within the cure period as provided at specified section above, then the non-defaulting party may terminate this agreement by written notice to the defaulting party. Upon delivery of such a written notice of termination, this agreement will immediately terminate.

* If seller or buyer is in default for any reason except non-delivery, or buyer terminates this agreement for seller's or buyer's default for any reason except non-delivery, then buyer will be entitled to recover from that defaulting party the amount of losses and damages that buyer incurs as a result of the Default. These losses and damages may include but are not limited to direct, indirect, incidental and consequential damages.

* In the event that either party hereto determines that the health of the sows has deteriorated such that the seller is unable to fulfill the requirements of this agreement, buyer shall have the option to terminate this agreement by providing written notice thereof to seller, or to require seller to depopulate/repopulate the sow herd. If buyer requires seller to repopulate the sows, seller shall use its best effort to repopulate in a timely manner, whereupon the repopulated sows shall constitute the sows hereunder. If the timeliness of the repopulation is unacceptable to buyer, buyer may elect to terminate the agreement.

* In no event may either party send a written notice of termination that would be effective within five (5) years of the commencement date (e.g. a party can send a notice prior to the fifth year, but the notice cannot end the agreement prior to the fifth year), unless terminated earlier pursuant to specified sections of this agreement. At the end of the term, seller shall continue to deliver hogs to in accordance with the terms and conditions hereof, for 6 additional months, with deliveries being reduced each month by approximately specified hogs (or if annual volume changes, specified percentage of annual volume) (the wind down). At the conclusion of the wind down, neither party shall have any further obligations to the other party under this agreement except terms which by their nature survive termination or unless otherwise contained in a subsequent written agreement signed by the parties.

* The parties now desire to terminate the agreement and settle all disputes and claims among the parties in connection with the agreement and their business dealings.

* If buyer or facilitator is in default, the non-defaulting party (only buyer or facilitator and not any seller or affiliated seller) may terminate this agreement by written notice to the defaulting party. Facilitator must immediately send or forward such notice to each affected seller. Upon delivery of a written notice of termination this agreement and seller agreements will immediately terminate. The parties' obligations under this agreement will survive termination as provided in the section titled Survival of Provisions. The parties specifically intend that any termination by buyer for affiliated seller's default (and not facilitator default) will not impact buyer or facilitator's ability to enforce its rights as to existing seller agreements between facilitator and such sellers as applicable under this agreement and any seller agreement.

* Buyer shall have the right to terminate this agreement upon specified months' written notice in the event buyer ceases hog slaughtering operations at buyer' plant.

* If a seller is in default, either buyer or facilitator may terminate such applicable seller's agreement upon written notice to the other two parties. Upon delivery of a written notice of termination to a defaulting seller and the other party, such seller agreement will immediately terminate. Such termination will not terminate this agreement or any other seller agreement hereof. Facilitator will have specified days to replace the terminated seller and cure with respect to any damages incurred by buyer. Notwithstanding any provision in this agreement to the contrary, buyer may immediately terminate any seller agreement related to this agreement if: (i) any hogs grown by the seller (whether sold to buyer hereunder or not) become endangered, as determined by buyer in its sole discretion, (ii) such seller violates any local, state, or federal laws, regulations, permits, or orders pertaining to environmental safety, or (iii) such seller violates any local, state, or federal laws, regulations, permits, or orders pertaining to food safety. The parties' obligations under this agreement will survive termination as

provided in the section titled Survival of Provisions.

* Seller will have the right to terminate this agreement upon specified days written notice to buyer in the event that (i) buyer is materially in default of its payment obligations or its obligations under specified section and buyer fails to cure such default(s) within such specified day notice period, or (ii) buyer has committed an act of intentional fraud relating to this agreement which is materially harmful to seller.

* Initial term of the agreement shall be specified year(s). Written notification with desire to terminate may be given by either party three months prior to contract expiration. If notification to terminate is not received an automatic year renewal will apply.

* Either party may terminate this agreement by delivering a notice to the other party pursuant to the notice provisions of specified section. The term of the agreement shall end specified days after receipt of the termination notice.

* If buyer or facilitator is in default, the seller may terminate its seller agreement by written notice to buyer and facilitator. Upon delivery of a written notice of termination such seller agreement will immediately terminate. The parties' obligations under this agreement will survive termination as provided in the section titled Survival of Provisions.

* In addition to any rights to terminate this agreement, which are expressly set forth elsewhere herein, either party shall have the right to terminate this agreement immediately by written notice to the other party if such other party (a) is in breach of the agreement, (b) commits an act of intentional fraud relating to this agreement which is materially harmful to the first party, or (c) is insolvent, declares bankruptcy, or is forced into involuntary bankruptcy.

* Buyer will have the right to terminate this agreement upon specified days written notice to seller in the event that (i) seller is materially in default of its obligations hereunder and seller/buyer fails to cure such default(s) within such specified day notice period, or (ii) seller has committed an act of intentional fraud relating to this agreement which is materially harmful to buyer.

* This contract shall commence, continue and remain in full force and effect from and after specified date range unless earlier terminated as provided in this section. This agreement may be terminated By buyer, in the event of a seller default; By seller, in the event of a buyer default; By buyer or seller, at any time, with or without cause, by giving the other party specified months' written notice, provided, however, that such notice may not be given prior to specified date; By seller, upon giving specified days' written notice (or specified months' written notice if the provisions of specified subparagraph apply), in the event that buyer changes the carcass merit buying matrix pursuant to specified section; By buyer or seller, upon giving specified days' written notice (or specified months' written notice if the provisions of specified subparagraph apply), in the event that a dispute is not resolved pursuant to the provisions of specified article. A dispute for purposes of this subparagraph shall include only (1) a disagreement between the parties concerning proposed changes to the genetic carcass attributes under specified section or (2) a disagreement between the parties, relating to the first sentence of specified Section and concerning a change in the USDA's methodology for calculating the estimated pork carcass cutout value, or if USDA discontinues or replaces the USDA national carlot pork report; In the event of termination under specified subparagraphs hereof, the required notice of termination shall be increased from specified days to specified months if, on the date notice of termination is given, the daily close for Chicago Mercantile Exchange Futures Price for lean hogs, averaged over the two lean hog futures quotations

for the futures months immediately following the time that notice of termination is given, is under $55 cwt. or over $75 cwt. For example: if termination notification is given in May, then the applicable CME futures months will be June and July. If the June and July lean hog futures on the CME average less than $55/cwt. or over $75/cwt., then the Contract will continue for 18 months. If the average of the two futures contracts is between $55/cwt. and $75/cwt. then the Contract will continue for specified days. By buyer or seller, by giving the other party specified days written notice as provided at specified section. Termination of this agreement shall become effective: (i) immediately, in the event of termination under specified paragraph; and (ii) following the end of the applicable notice period in the event of termination under specified paragraphs (hereinafter the effective date of termination). From and after the effective date of termination, this agreement shall be of no further force and effect, except with respect to enforcement of the parties' respective rights and obligations arising prior to the effective date of termination. In the event that the agreement is terminated pursuant to paragraph, then the termination shall constitute a waiver of all claims, by each party, regarding the change (with respect to specified subparagraph or regarding the dispute (with respect to specified subparagraph that was the basis for termination.

* In addition to its right to terminate as provided in specified subparagraph, seller may immediately terminate this agreement, without protest, presentment, demand or further notice of any kind to seller, all of which are expressly waived, in addition to any and all other rights and remedies buyer may have hereunder and/or under applicable law or in equity, without prior notice to seller, and Buyer shall have no further liability to seller, if: a. Seller fails to maintain sufficient facilities, whether owned or contracted in order to produce hogs in such quantities as to fulfill the terms of the agreement; b. Buyer shall sell substantially all of its assets or there shall occur a change in control of buyer, whether by stock sale, merger, consolidation or otherwise; c. Buyer terminates and/or materially curtails its hog slaughtering operations; d. Either party hereto determines that the health of the Contract Sows has deteriorated such that seller is unable to fulfill the requirements of this agreement e. Seller fails to follow all program guidelines. F. Buyer discontinues its program and no longer requires a source of hogs. In such case, buyer shall continue purchasing hogs from seller as conventional hogs under the terms previously outlined herein.

* In no event may either party send a written notice of termination that would be effective within specified years of the commencement date (e.g. a party can send a notice prior to the specified year, but the notice cannot end the agreement prior to the specified year), unless terminated earlier pursuant to specified sections of this agreement. Upon the effective date of the term of this agreement, this agreement will supersede and replace the original hogs procurement agreement dated specified date between buyer and seller referred to herein as prior agreement), subject to the terms and conditions of this provision. If there is a deficiency account balance or a reserve account balance under the prior agreement, such deficiency account balance or reserve account balance shall transfer to this agreement and will become the initial balance of the deficiency account or reserve account under this agreement. All other terms and conditions of the prior agreement will terminate, and the delivery and purchase of hogs after the effective date of the term of this agreement will be made pursuant to the terms of this agreement.

* In addition to its right to terminate as provided in specified subparagraph, buyer may immediately terminate this agreement in the event buyer terminates and/or materially curtails its hog slaughtering operations [upon specified month's prior written notice. In the event that it becomes mandatory for buyer, due to a change in any law or regulation, to purchase a portion or all hogs on the open market or a formula other than the pricing formula in this agreement, buyer may terminate this agreement.]

* In addition to its right to terminate as provided in specified subparagraph, buyer may immediately terminate

this agreement if buyer violates specified subparagraphs. Further, buyer may immediately terminate this agreement in the event buyer terminates and/or materially curtails its hog slaughtering operations. Either party may in its sole discretion terminate this agreement, provided that the other party is notified in writing 15 months or more in advance of the date of termination.

* In addition to its right to terminate as provided in specified subparagraph, buyer may, at its option, immediately terminate this agreement, without protest, presentment, demand or further notice of any kind to seller, all of which are expressly waived, in addition to any and all other rights and remedies buyer may have hereunder and/or under applicable law or in equity, without prior notice to seller, and buyer shall have no further liability to seller, and it shall not constitute a default by buyer, if: a. seller fails to maintain sufficient facilities, whether owned or contracted, and sufficient funds, in order to produce hogs in such quantities as to fulfill the terms of the agreement; b. Buyer shall sell substantially all of its assets or there shall occur a change in control of buyer or its parent company, whether by stock sale, merger, consolidation or otherwise; c. Buyer terminates and/or materially curtails its hog slaughtering operations; d. Either party hereto determines that the health of the seller's sows has deteriorated such that seller is unable to fulfill the requirements of this agreement; or e. Buyer is advised by the Grain Inspection, packers and Stockyards Administration of the U.S. Department of Agriculture (GIPSA) that the provisions of this agreement do not meet GIPSA requirements, whether now existing or hereafter adopted or enacted.

* All disputes, controversies, or indifferences arising out of or relating to these potential pricing changes related to this agreement shall be resolved by the parties within ninety (90) days after initial notice delivered by the claiming party to the other party in writing. If a major change has occurred and the parties are unable to resolve the issue, either party shall have the right to terminate this agreement upon delivery of five (5) years prior written notice of termination if said notice is given prior to specified date and three (3) years prior written notice if said notice is given after specified date.

* This agreement may be terminated prior to the expiration of the term (i) pursuant to specified sections; or (ii) pursuant to specified schedule; or (iii) by either part, without cause, by providing the other party with at least specified months written notice of termination; however, a written notice of termination under this specified section cannot be delivered by either party prior to specified date. Notwithstanding the above, at the conclusion of the specified month notice period described above, seller shall continue to deliver hogs to buyer, in accordance with the terms and conditions hereof, for specified additional months, with deliveries being reduced each month as provided in specified section. At the conclusion of such specified month period, neither party shall have any further obligations to the other party under this agreement or otherwise unless otherwise contained in a subsequent written agreement signed by the parties.

General Contract Terms - Third Party Guarantees

* To induce buyer to enter into this agreement, specified persons who hold all the membership interest of seller, has executed contemporaneously with this agreement , a continuing unconditional guaranty which is attached hereto as specified exhibit and fully incorporated herein.

General Contract Terms - Waiver of Enforcement

* Failure of buyer or seller to insist upon strict performance of any of the terms and conditions hereof, or failure or delay to exercise any right or remedies provided herein, or by law, or the acceptance of payment for any goods hereunder, shall not release either party from any of the warranties or obligations of this Contract, and shall not be deemed a waiver of any right by either party to insist upon strict performance hereof, or any of its rights or remedies as to any such goods regardless when shipped, received or accepted, or as to any prior or subsequent default hereunder, nor shall any purported oral modification operate as a waiver of any of the agreement terms.

* The failure of any party to insist upon strict performance of any obligation hereunder shall not be deemed a waiver of such party's right to demand strict compliance therewith in the future.

* No failure of either party hereto to exercise any power reserved to it by this agreement, or to insist upon strict compliance by the other party hereto with any obligation or condition hereunder, and no custom or practice by the parties at variance with the terms hereof, shall constitute a waiver or estoppel of a party's right to demand exact compliance with any of the terms herein. Waiver by a party of any particular default by the other party shall not affect or impair a party's rights with respect to any subsequent default of the same, similar, or different nature, nor shall delay, forbearance, or omission of a party to exercise any power or right arising out of any breach or default by the other party hereto constitute a waiver by a party of any right hereunder, or the right to declare any subsequent breach or default or to terminate this agreement prior to the expiration of its term.

* Guarantor irrevocably waives any claim, right or remedy which such guarantor may now have or hereafter acquire that arise hereunder and/or from the performance by any guarantor hereunder, including without limitation, any claim, remedy or right of subrogation, reimbursement, exoneration, indemnification, or participation in any claim, right or remedy of buyer against the undersigned as debtor whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise.

* This agreement may not be changed or amended, except by a writing signed by both parties hereto. No waiver of any of the provisions of this agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.
* Any failure or forbearance by either party at any time to enforce strictly any of the provisions of this agreement shall not by itself be construed as a general waiver by such party of any such provisions or in any way affect the validity of enforceability of this agreement.

* Any breach of this agreement or any right provided by this agreement may be waived only in a writing signed by the waiving party. Any such waiver will not affect the validity of this agreement, or the right of either party to thereafter enforce every provision of this agreement. Any breach of this agreement or any right provided by this agreement may not be waived by any course of dealing or prior performance.

* No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different

character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

* The failure or delay by a party in exercising any right, power or privilege under this agreement shall not be deemed a waiver of such right, power or privilege, nor shall any single or partial exercise thereof preclude any other further exercise of any right, power or privilege under this agreement. No waiver of any term of this agreement shall be binding unless made by means of a written instrument signed by a duly authorized representative of the party against whom enforcement of such waiver is sought.

* The failure of either party to enforce or exercise its rights under any provision of this agreement or to require at any time a certain performance of the other party of any of the provisions herein, shall In no way be construed to be a waiver of such provision, nor In any way affect the validity of this agreement or any part thereof, or the right of either party thereafter to enforce each and every such provision.

* Any of the terms or conditions of this agreement may be waived in writing at any time by the party to which is entitled to the benefits thereof. No waiver of any of the provisions of this agreement shall be deemed or shall constitute a waiver of such provision at any time in the future or a waiver of any other provision hereof.

General Contract Terms - Warranties/Guarantees

* This personal guaranty is a continuing one and shall terminate only on the satisfaction of each and every obligation of you under this agreement.

* Buyer makes no warranties or covenants whatsoever with respect to the agreement, the financial viability or status of buyer, the future market for hogs or any other matter which is not expressly stated in this seller agreement. Seller states that it has read the agreement in its entirety and understands its terms. Seller acknowledges it is undertaking a substantial and material risk. Seller has evaluated that risk by itself and with the assistance of its independent advisors, and chooses to enter into this seller agreement. Seller acknowledges it has not relied on any representations of buyer (or its advisors or owners) or buyer beyond the terms of the agreement and this seller agreement.

* This personal guaranty is an absolute, unconditional and continuing guaranty and will terminate only on the satisfaction of each and every obligation of seller under the agreement.

* The undersigned represent and warrant to buyer that (i) each of the undersigned is an individual of sound mind with full power and authority to execute this guaranty; (ii) each of the undersigned has read the guaranty and had the opportunity to review its terms with an attorney of his or her choosing, and understands the terms of the guaranty and their legal effect; and (iii) this guaranty has been duly executed and delivered by each of the undersigned and constitutes a lawful, binding and legally enforceable obligation of each of them.

* Guarantor acknowledges and agrees that the guaranty is made for valuable consideration, including, but not limited to buyer's commitments to seller under the agreement. Guarantor further understands and agrees that: (i) the obligations may arise out of different transactions between buyer and seller; (ii) the guarantor's obligations under this guaranty are unconditional; and (iii) this is a guaranty of performance and payment, and not

collection.

* Seller acknowledges and agrees that its ability to forward price hogs is contingent upon buyer' receipt of a fully executed copy of the attached personal guaranty. Seller represents and warrants that the persons executing the personal guaranty constitute all of seller's direct or indirect shareholders, partners, members or other owners. Any person or entity who becomes an owner of seller after seller enters into this addendum must also sign the personal guaranty. No corporation, partnership, Limited Liability Company or other entity may be a guarantor. Rather, the individuals who directly or indirectly own each corporation, partnership, Limited Liability Company or other entity that is one of seller's owners must be the guarantors.

* As further consideration for this agreement, specified person, who holds all the membership interest of seller, has executed contemporaneously with this agreement, a continuing unconditional guaranty which is attached hereto as specified exhibit and fully incorporated herein.

* Unless you are a sole proprietorship, all of your obligations under this agreement will be personally guaranteed by all of the individuals who are your direct or indirect shareholders, partners, members or other owners, each of whom must execute this agreement. Any person or entity who becomes an owner after you enter into this agreement must also sign the personal guaranty. No corporation, partnership, Limited Liability Company or other entity may be a guarantor. Rather, the individuals who directly or indirectly own each corporation, partnership, Limited Liability Company or other entity that is one of your owners must be the guarantors. In consideration of and as a material inducement to us to enter into this agreement with you (for purposes of this personal guaranty, this agreement will include this agreement and any modification, extension and amendment of this agreement), the guarantors agree as follows.

* This guaranty shall remain in full force until all obligations guaranteed have been performed in full.

* Seller expressly disclaims the implied warranties of non-infringement, merchantability and fitness for a particular purpose.

* Seller has provided buyer with a fully executed guaranty of this agreement, attached hereto as specified exhibit. Said guarantee is incorporated into this agreement by reference.

* Any provisions of this agreement which by their terms have or may have application to this personal guaranty or the guarantors shall be deemed to the extent of such application to apply to this personal guaranty and the Guarantors.

* Guarantor acknowledges that this guaranty is intended to include obligations associated with the agreement executed between the parties after the effective date of this guaranty and through the date this guaranty is terminated by complete performance under the agreement.

* Facilitator guarantees that each seller will perform under this agreement in accordance with all the terms and conditions of this agreement and each seller agreement and seller delivery schedule. If any seller defaults in performance of its obligations, facilitator will be liable for any and all liabilities, losses, damages, claims, judgments, costs and expenses (including without limitation reasonable attorneys' fees) included by buyer in connection with such seller's default, including any costs of collection from such seller and facilitator including without limitation reasonable attorneys' fees) incurred by buyer. (b) This guaranty is an absolute, unconditional and continuing guaranty and will terminate only on the satisfaction of each and every obligation of each seller

under this agreement and such seller Contract and seller Delivery Schedule. Buyer is not required to first resort for payment of any damages to the defaulting seller or any other person, or their properties, before enforcing this guaranty. (c) This guaranty will inure to the benefit of buyer and its successors and assigns, and will be binding upon facilitator and it's, successors and assigns.

* If seller is a corporation, Limited Liability Company, or other legal entity designed to shield its owners from certain liabilities, the principals of seller may be asked to execute a guaranty in order to utilize buyer's forward pricing programs.

* Guarantor understands that buyer may enforce this guaranty without first resorting to performance by seller. Guarantor further understands that buyer may, at its sole discretion, enforce this guaranty against any one or several of the Guarantor(s) (if applicable) and each guarantor is jointly and severally liable for the full prompt and complete performance of the obligations of each. Guarantor agrees that buyer has full authority to and may, without notice to or further consent from guarantor delay or forebear from exercising its rights against seller.

* Buyer makes no warranties, either express or implied, as to the nature of profitability of the hog production business or the transactions resulting from this agreement [or the merchantability or fitness for a particular purpose or the performance of the offspring or the breeding stock containing any approved genetics.]

* Seller covenants that it will indemnify hold and save buyer harmless from and against any and all loss, cost, liability, damage or expense, including, without limitation, reasonable attorneys' fees and disbursements, caused by or arising from or in connection with seller's construction or operation of the designated production facilities, or any misrepresentation, act, breach or omission of seller in connection herewith, including, without limitation, any injury or death of persons or damage to property caused by or arising therefrom. Buyer covenants that it will indemnify, hold and save seller harmless from and against any and all loss, cost, liability, damage or expense, including, without limitation, reasonable attorney's fees and disbursements, caused by or arising from, or in connection with, any misrepresentation, act, breach or omission of buyer in connection herewith including any injury or death of persons or damage to property caused by or arising therefrom.

* The guarantors hereby guarantee the satisfactory performance by you of this agreement in accordance with all its terms and conditions. If you default in performance of your obligations under this agreement, the guarantors shall be severally liable for a pro rata share of any and all liabilities, damages, claims, judgments, costs and expenses (including without limitation reasonable attorneys' fees) incurred by us in connection with your default. Each guarantor's share shall be determined by multiplying the total liability of all the guarantors under this personal guaranty times such Guarantor's percentage ownership interest in you, as set forth below.

* Seller makes no warranties, either expressed or implied, to buyer other than as may be specifically set forth herein. Buyer expressly disclaims the making of, and seller acknowledges, that seller has not received or relied upon, any warranty or guaranty, either expressed or implied, including, but not limited to, any implied warranties of merchantability or fitness for a particular purpose, regarding genetic, medication or feeding program prescribed under this agreement, or any potential profits or success of the transactions addressed in this agreement. Seller should disregard any unauthorized information, whether oral or written, from any representative of buyer concerning the volume, profitability, or chance of success of the transactions represented by this agreement. Seller recognizes and accepts the risks and hazards inherent in or associated with livestock production.

Purchase Conditions and Payment - Alternate Pricing

* In the event the specified report weighted average is no longer a representative market as agreed on by both parties, seller and buyer agree to arbitrate the change. [Buyer reserves the right to modify its carcass merit program at any time, during the term to respond to changes in industry standards, product marketability, and advances in evaluation procedures.]

* If the USDA Market News Service discontinues or replaces any report referenced, then buyer shall select a substitute report and/or methodology, which shall be used for determining the price. Buyer shall select a substitute report and/or methodology in a manner such that the price, as determined by use of such substitute, is economically equivalent to the price, as determined by use of the, plus or minus (as the case may be), the carcass merit adjustment.

* Following the date hereof, if the CME Group changes settlement procedures or adds or deletes trading months (having the effect of modifying the basis), buyer and seller may determine to modify the formula for the calculation of the base price in a manner consistent with the assumptions used by the parties in calculating the base price as of the date hereof.

* If the CME announces a change in the methodology used to calculate the CME Lean Hog Index, or discontinues the reporting of the CME Lean Hog Index, buyer and seller may choose to change the formula used to calculate the base price from the specified price per hundred weight carcass to a new price formula, or buyer and seller may choose to use another series of reported numbers published by a third party. Selection of a new report will be intended to produce a similar base price.

* The parties agree that in the event the specified report or any successor thereto which buyer uses to establish the base carcass price materially changes the methodology used to calculate such market report or successor thereto, the parties shall meet to discuss a change to the agreement, and in the event necessary, shall renegotiate the base carcass price definition to this agreement to return the parties to their respective economic statuses prior to such change in methodology.

* In the event the specified report is not published on the day of harvest, the previous day's report shall be implemented. January 7, 2013, mandatory pork reporting will be implemented; both parties agree to analyze the effect on the report for any inconsistency between the average historic voluntary reporting and the new mandatory reporting. If the average report based on the mandatory reporting is determined to be either higher or lower that the average historic voluntary reporting, the parties agree to adjust the price factor by the percentage in change of the report determined through this analysis.

* The market price is subject to adjustment if the reported price is no longer valid because of changes in the collection or reporting methodology of AMS. If one of the parties hereto has reason to believe that the aforementioned price series is no longer valid, such party shall notify the other party of its belief, along with the evidence supporting the same. The parties agree to meet and resolve the matter of such price series validity within sixty (60) days of the receipt of any notice. If the parties mutually agree that an adjustment of the market price is necessary, such adjustment shall be made and deemed to be effective as of the date that notice was given. If the aforementioned price series is no longer considered to be valid, it is the intent of the parties that this agreement continue, but on the basis of a new price series that reflects the relative valuation of the aforementioned price series at the time this agreement was signed.

* However if either party feels that specified index doesn't represent the market, the parties agree that either party shall have the right to start negotiating in good faith to select a new market index to calculate the payment schedule for the hogs delivered under this agreement on a quarterly basis from the effective date. If the parties are unable to come to an agreement on a new index within thirty (30) days, each party shall select an economist, and the economists shall meet to select and appoint a neutral economist. The appointed neutral economist shall determine the market index that shall be applicable to determine the payment schedule, and said decision shall be binding upon the parties. The party requesting the selection of a new market index shall pay the cost of the appointed neutral economist.

* In the event the United States Department of Agriculture ceases to report any or all of the daily hog's reports, the parties shall, for the continuation of this agreement, jointly decide and agree as to a replacement method that will be historically comparable to the current market for this agreement.

* The parties have had a long standing relationship that both parties value and the parties want to ensure that over the course of the term this agreement provides appropriate pricing for hogs. The parties agree that the assumption of the parties in determining to enter into this agreement is that throughout the term of the agreement the determination of the price to be paid and received shall be competitive with market price paid to other pork sellers and competitive with market price paid in the sector by over the course of the term. The parties further recognize that the methodology for determining the price is different than the methodology used to determine the base price under standard program, and at any given point in time there could be variances (plus or minus) in the price under this agreement as compared to the standard program. Based on these assumptions and the intent of the parties when entering into this agreement, the parties have agreed if the average of the daily price paid in any 12 month period during the term of this agreement is (i) less than the average of the daily quoted CME Lean Hog Index minus (less) $7.50 cwt. Carcass; or (ii) higher than the average of the daily quoted CME Lean Hog Index minus (less) $1.50 cwt. Carcass, for a 12 month period then either party may deliver a written notice to the other party stating that the price received or paid is not consistent with the intent of the parties as discussed above. Within fifteen (15) days of receipt of such notice the parties shall meet and confer in order to make adjustments to the calculation of price. Should the parties fail to either agree on a change to the formula used to calculate price or to execute appropriate amendments to the agreement within 60 days of receipt of notice, the base price shall be the CME Lean Hog Index plus/minus (+/-) a cutout adjustment. This Adjustment shall be the average of the monetary difference between the CME Lean Hog Index and cutout value for the 60 month period prior to the written notice. The adjustment arrived at shall be used to calculate the base price for hogs until a new price formula is agreed upon by the parties. The adjustment shall not change until a new price formula is agreed to by the parties. If a change to the price occurs; the change will affect only hogs delivered and slaughtered after the effective date of said change.
* See Schedule 247

* In the event the Lean Hog Futures are no longer available both parties agree to evaluate other pricing mechanisms with the intent to arrive at a replacement index whereas the economic value is similar to the Lean Hog Futures prior to the change. The parties agree to negotiate in good faith to resolve the requested change.

* Facilitator agrees that it will require each seller to choose one of the three pricing options set forth in this section to determine the base price for the hogs to be delivered. Facilitator will provide buyer with the chosen option for each seller's hogs. Every seller will be allowed to change its pricing option once, by sending a written notice to both buyer and facilitator no later than specified date, with such change to be effective on specified date. The pricing option in effect on specified date will apply during the entire remaining term of the agreement. Every seller can each choose one of these three options for the hogs that it delivers.

* During the nine month period prior to any automatic price execution date, seller may elect to fix the base purchase price for the sows for the month of purchase by notifying buyer in writing on any trading day during the fixed price election period that it wishes to fix the base purchase price for the sows using the formula set forth in specified section above and the lean hog futures contract price as reported by the CME at the end of such trading day. The purchase price for the sows for the month of purchase will be determined using such formula and reported price unless buyer elects to sell a lean hog futures contract on such trading day or the following trading day, in which case, the base purchase price for the sows for the month of purchase will be determined by using the formula and the price at which buyer sold the lean hog futures contract, provided, however, the price at which buyer sold the contract falls within the trading range for lean hog futures contracts for the trading day on which the contract is sold by buyer. To determine the purchase price for each sow, the base purchase price determined under specified section above will be adjusted to reflect the actual weight of each sow seller delivers to buyer's facilities.

* If the USDA AMS discontinues the specified report or makes a change in the method of calculating or collecting the price data used to calculate the specified item, then seller and buyer shall mutually agree on a substitute report and/or methodology, which shall be used for determining the price. The substitute report and/or methodology will be selected and implemented in a manner such that the new price, as determined by use of such substitute, is economically substantially similar to the price as calculated in this paragraph. If buyer changes or revises the carcass merit buying matrix currently offered by buyer, then buyer shall adjust the price for the hogs supplied under this agreement, including the excess hogs. The adjustment shall be for an amount such that the price for the hogs, based upon the changed or revised carcass merit buying matrix, is economically equivalent to the price for the hogs, based upon the carcass merit buying matrix as currently offered by buyer. Any such adjustment shall be determined in respect to each load of hogs delivered pursuant to this agreement.

* If the specified report is not reported, buyer shall use the last quoted price available. In the event this report becomes unavailable or unreliable, for example, if the price has not been quoted for five consecutive days, then a substitute price formula may be determined by buyer that closely approximates the original formula.

* Buyer may unilaterally amend or replace the price to better reflect a reasonable fair market price for reasons that include, but are not limited to the following: (1) the markets quoted for specified market hogs are no longer a true and reliable indicator of such hog markets; (2) any changes in production management, market conditions or other unforeseen circumstances which affect the price. In the event that buyer unilaterally amends or replaces the price, seller may terminate the agreement provided seller gives buyer 120 days prior written notice. Such notice must be received by buyer within 30 days of seller's receipt of a change in the price.

* If there is a change in the manner in which CME calculates or reports the Lean Hog Index, the parties shall meet within a reasonable period of the announced change to determine if any modifications are required to the terms of this agreement. [If the parties cannot mutually agree on the modifications. If any, within the negotiation period, then the base price shall be determined using only the Cutout Value.

* If the Nearby CME Lean Hog Futures Settlement Price for the appropriate Futures Month is not published for a day to be used in determining pricing, then the most recent Nearby CME Lean Hog Futures Settlement Price published for that Futures Month prior to that day will be used. If the Nearby CME Lean Hog Futures Settlement Price is discontinued by the reporting source, then Packer will redefine the Base Price, based on a hog price reported by a third party industry source(s). If the categories or any of the data in the categories reported in the Nearby CME Lean Hog Futures Settlement Price are changed by the reporting source, then Packer may redefine the Base Price, based on a hog price reported by a third party industry source(s). Packer

will provide written notice to seller identifying any change in definition of the Base Price.

* At any time the Chicago Mercantile Exchange lean hog futures contract is open and trading, seller may request that the buyer set the alternative market price, provided that such request is also made at least 30 days prior to the beginning of the delivery period. Upon such request, the alternative market price shall be the price of the first trade that the buyer fully executes for the futures contract plus the basis price. Similarly. In the event that the CME futures contract is locked limit down, the alternative market price shall be the price of the first trade that the buyer fully executes for the futures contract plus the basis price.

* In the event that it becomes mandatory for buyer, due to a change in any law or regulation, to purchase a portion or all hogs on the open market or a formula other than the pricing formula in this agreement, the parties shall meet in good faith and adopt a relationship which is economically substantially similar to the pricing structure set forth in this agreement, so long as that relationship is within the confines of all relevant legislation and regulation.

* If the specified report is not published for a day to be used in determining pricing, then the most recent specified prior to that day will be used. If the specified report is discontinued by the reporting source, then buyer will redefine the base price, based on an average of hog prices reported by a third party industry source(s). If the method of calculating the price reported in the specified report is changed by the reporting source, then buyer will redefine the base price, based on an average of hog prices reported by a third party industry source(s). If the volume of hogs used in reporting the price in the specified report drops below a daily average of specified for any week, then buyer may redefine the base price, based on an average of hog prices reported by a third party industry source(s). Buyer will provide seller written notice identifying any change in definition of the base price.

* In the event the specified price series is no longer reported or ceases to retain the same economic value as an index price due to changes in the collection, calculations and/or reporting methodology used by USDA, either party may request that the specified price series be replaced as the index price for purposes of this agreement such that the economic value of using the replacement index is the same as the economic value achieved by using the specified price series in effect prior to the change. In such event, the party requesting a change in the index price shall notify the other party in writing of its request to change the index price and provide sufficient evidence to support the basis for the requested change. The parties agree to negotiate in good faith to resolve the requested change in a mutually agreed manner.

* In the event of a shut down in the federal government or other unforeseen circumstances, resulting in a suspension by the U.S. Department of Agriculture in the reporting of the specified reports for a period of 3 business days or more; the price will be set by using the average of the prior day eastern and western Cornbelt market price as published by a reliable alternate source. In the event that a reliable alternate source does not publish pricing and the reports from USDA are still not available, the price shall be the Urner Barry Cutout less an adjustment of $6.00 per carcass cwt. In the event that the neither of these are available, the most recent data from the USDA Reports will be used indefinitely until seller and buyer agree to a mutual replacement. This action does not constitute a unilateral amendment of the price, which would allow seller the ability to terminate the agreement. Upon resumption of the publication of the USDA Reports, the price will return to its previous definition.

* Until a substitute basis is determined either by agreement or through arbitration, the base price shall be the base price on the last delivery date before the specified report ceased to be a viable market. Once a substitute

basis is established, however, the substitute basis shall be applied retroactively to the date on which the specified report ceased to be a viable market, and any resulting difference between the purchase price actually paid and the purchase price resulting from such retroactive application of the substitute basis shall be promptly paid or refunded, as applicable. If the parties fail to establish a substitute basis by written agreement within sixty (60) days after the specified report ceases to be a viable market, either party hereto shall have the right to submit the matter of establishing a substitute basis to arbitration under the procedure established in this agreement.

* If the weighted average as reported in specified report (or however identified in the future) is no longer reported by the USDA or if seller and agree it no longer represents cash spot market sales for hogs as defined in specified schedule, buyer and seller will negotiate in good faith appropriate changes to the new price formula to produce a base price similar to the new base price consistent with the assumptions used by the parties in arriving at the base price formula.

* It is agreed the specified market as quoted by USDA is a representative market base. In the event the buyer, upon review, determines this base has become unreliable or unrepresentative of the market, the board will cooperate with seller to formulate a replacement pricing base. This review will be conducted in the calendar fourth quarter, October 1st to December 31st.

* See Schedule 246

* Seller and buyer acknowledge that the USDA appears likely to change in the near future the industry standard labor cost of $25.00 that currently is used in calculating the cutout value. In the event the USDA revises the industry standard labor cost used in calculating the cutout value on or before seller and buyer shall (i) accept such change and continue to use the cutout value as otherwise provided in this agreement and (ii) not consider the change in the industry standard labor cost to be a significant change that triggers the process contemplated in subparagraph 9(c) above. However, in the event the USDA does not change by January 31, 2021 the industry standard labor cost of $25.00 that currently is used in calculating the cutout value the parties agree to renegotiate the formula set out in subparagraph 9(a) above that is used in the calculation of the base price. Should the parties fail to either agree on a change to the formula used to calculate base price or to execute appropriate amendments to this agreement within 120 days after January 31, 2021, the Base Price shall be determined using only the Lean Hog Index.

Purchase Conditions and Payment - Animal Definitions

* Qualifying hogs shall mean the hogs delivered to buyer that conform to the following criteria: 1) An average scalded carcass weight per lot of 170 pounds to 222 pounds; 2) Free of the following defects: (I) tall bites; (II) uncastrated males; (iii) freshly castrated males; (iv) ruptures; (v) abscesses; (vi) freshly cut or unhealed wounds; or (vii) any defect that would result in a down-grade of the animal's carcass or value.

* Lot shall mean each individual truck delivery of hogs from seller to the designated facility.

* Live hogs shall refer in a generic sense to barrows and gilts produced for market by sellers other than specified entities.

* Hogs means hogs at market weight within the range of 230 to 300.

* Non-qualifying hogs shall mean all hogs that do not conform to the requirements for qualifying hogs.

* Lot shall mean a group of one or more hogs that has the same buyer tattoo number.

* For purposes of this agreement, the term hogs shall mean hogs meeting the specifications in this agreement, including, without limitation, those set forth on specified exhibit.

* Swine, as used in this agreement, shall be synonymous with the term hog.

* Forward priced hogs mean a lot or lots for which buyer has issued a forward pricing confirmation.

* Miscellaneous hogs shall refer to all hogs produced within the specified geographic regions by specified entities and any affiliates other than the Market Swine, specifically including boars, sows and hogs weighing at the date of sale less than one hundred fifty (150) pounds or more than three hundred (325) pounds.

* Market hogs shall refer to all barrows and gilts produced for slaughter within the specified geographic regions by specified entities and any affiliates which have attained a weight between one hundred fifty (150) and three hundred (325) pounds.

* Hogs shall mean barrows or gilts that are in good health; produced from breeding stock from the current line of genetics utilized by sellers; lean and heavily muscled; free from quality disorders; and that meet the requirements of the buyer carcass merit pricing system program.

* Non-qualifying market swine shall mean all barrows and gilts that are not hogs. Included in non-qualifying hogs are those hogs sorted off on a live weight basis weighing less than 215 pounds or more than 350 pounds.

* Market Swine shall mean and refer to live barrows and gilts born and raised in the United States of America that weigh between 161 pounds and 269.9 pounds, each on a carcass weight basis, which (i) meet buyer's and USDA's inspection standards, (ii) are fit for human consumption, (iii) are free of defects, and (iv) do not include off-grade animals, animals used for breeding stock, or cull breeding stock.

* A market hog is a hog raised at a production facility owned or operated by a specified entity (each of such facilities from which buyer purchases hogs is, a facility or collectively, the facilities) which meets the quality specifications set forth in this agreement. Buyer shall pay facilitator the price (as defined herein) for such hogs and facilitator shall be solely responsible for remitting payment to seller in accordance with this agreement and applicable law, including but not limited to the USDA Packers and Stockyards Act of 1921, as amended.

* Common swine shall refer in a generic sense to barrows and gilts produced for market on the specified market by sellers other than seller or seller affiliates.

* Miscellaneous swine shall refer to all swine, other than the specified swine, produced by seller.

* For purposes of this agreement, the term market hog shall mean hogs meeting the quality and specifications in this agreement, including, without limitation, those set forth on specified exhibit.

* A market hog is a hog raised at a production facility owned or operated by seller in the specified state or such other state(s) that buyer may approve in writing (each of such facilities from which buyer purchases hogs is, a

facility or collectively, the facilities) which meets the quality specifications set forth in this agreement (the specifications). Seller will be responsible for the loading and the hauling of market hogs to the plant at seller's cost.

* For the purposes of this agreement, load shall mean the quantity of hogs contained in a vehicle or trailer, which is used by seller to ship and deliver the hogs to buyer; provided, however, in no event shall a load exceed the quantity that may fill a standard semi-trailer used for the purpose of transporting hogs

* Non-qualifying equity hogs shall mean all barrows and gilts that are not equity hogs. Included in non-qualifying equity hogs are those hogs sorted off on a live weight basis weighing less than 215 pounds or more than 350 pounds.

* Breeding stock shall mean semen and the commercial gilts, sows and boars and the replacements thereof, which are used at the facilities for the purpose of producing offspring suitable for sale to buyer as equity hogs hereunder.

* Qualifying hogs shall mean the hogs delivered to buyer that are free of the following defects: (i) tail bites; (ii) uncastrated males; (iii) freshly castrated males; (iv) ruptures; (v) abscesses; (vi) freshly cut or unhealed wounds; (vii) excessive saturated fat levels; or (viii) any defect that would result in a down-grade of the animal's carcass or value, including but not limited to carcass down-grades resulting from changes in diet, medication, handling and genetics.

* Equity hog shall mean and refer to live barrows and gilts that weigh between 161 pounds and 272.9 pounds, each on a carcass weight basis, which (i) meet USDA inspection standards, (ii) are fit for human consumption, (iii) are free of Defects, (iv) do not include animals raised or used for breeding stock, off-grade animals or cull breeding stock, and (v) contain only approved genetics.

* Premium slaughter hog shall mean barrows and gilts that are: a. In good health; b. Produced from breeding stock approved by buyer, buyer specifically accepts and approves hogs produced from the current line specified genetics; c. Lean and heavily muscled; d. Within buyer acceptable weight range as set forth in specified exhibit; e. Free from quality disorders; and f. That would normally be accepted as a premium slaughter hog by buyer on the day of delivery if it were not for this agreement.

* Hogs means finished hogs within buyer acceptable weight range at the time of delivery that were born and raised exclusively in the United States of America.

* Market hogs shall mean live barrows and gilts which (a) meet the weight ranges of buyer's carcass merit buying matrix; (b) meet USDA inspection standards; (c) are fit for human consumption; (d) are not defective (defective shall mean uncastrated males; freshly castrated males; hogs with ruptures, drug residue beyond USDA limits, abscesses, fresh cuts, unhealed wounds; or hogs with any other condition which causes a down grade (i.e. a decrease in value) or condemnation of a hog carcass by a USDA inspector at the plant); and (e) meet the specifications set forth on specified exhibit.

* Lot or lots means 40,000 carcass pounds, or quantities in 40,000 carcass pound increments. Buyer may, in its sole discretion, change the number of carcass pounds constituting a lot or lots upon specified day’s written notice to seller.

* Market hog or hog shall mean a premium slaughter hog as defined herein.

Purchase Conditions and Payment – Basis

* All basis priced hogs shall be priced by seller by notifying buyer at least 30 days prior to the beginning of the delivery period. The seller may set the lean hog futures by notifying the buyer of his intent to set the price at any time during which the lean hog futures contract is open and trading. After notification by seller the buyer will set the futures price at the first available futures price quoted to buyer by the CME. If seller fails to set the price as described the price will be set by the buyer at the closing CME price on the last day of the pricing period. If the CME closing price is locked limit down, the price will be established on the next available trade.

* Basis is a negative number. Buyer may, in its sole discretion, revise the dollar figure constituting Basis, with such revision to Basis becoming effective on the anniversary of the effective date of this addendum. Buyer will provide no less than specified day's written notification to seller identifying any upcoming revision to basis.

* A transaction fee will be deducted from the CME Lean Hog futures transaction proceeds per 40,000 lb. contract.

* Actual Basis is determined by taking buyer's market formula price being used for payment on the day hogs are delivered under this contract, minus the appropriate CME Lean Hog Futures close of the Chicago Mercantile Exchange (CME) on the day prior to delivery, less $.25/cwt. If CME futures are not traded the day prior to delivery, the most recent futures close prior to delivery will be utilized. For any contract not delivered within the delivery window, actual basis will be determined day prior to the last day of the delivery period. Late delivery penalty policies will apply. Actual Basis Formula: buyer's market formula price - CME -.25 = Actual Basis

Purchase Conditions and Payment - Changes in Payment Calculation

* The formulation of the actual grid price will not change, except for the following reasons as determined by buyer in its discretion: 1) Changes in production practices such as the use of feed additives and supplements, the use of new production systems and facilities, or any other change occurs that significantly impacts the cost of production. 2) Grain market quotations are no longer considered accurate. 3) The use of feedstuffs other than corn and soybean meal becomes standard in the industry or required by buyer. 4) The relationship of the specified price to a reasonable cost of production has changed significantly due to costs other than feed; 5) A review of industry production cost databases indicates that the specified price is materially different from reported costs of production. Seller hereby agrees to be bound to any changes in the specified made by buyer as authorized by specified subsection.

* If there are changes in the definition of the process verified program, the carcass premium program, or changes in mandatory price reporting (including competitor price reporting) and either buyer or seller believes such change(s) will cause significant adverse economic change, seller and buyer agree to work together in good faith to adopt an mutually acceptable method of reducing the impact of such change. If after 90 days, seller and buyer in good faith fail to agree on an acceptable method, either buyer or seller may terminate the agreement effective 12 months after providing written notice of termination.

* Hogs must meet all facility program requirements to receive bonus. Those that do not receive same pricing less the 600 bonus. Max of 33 over rolling 16 weeks may not meet requirement. If more, lower price of base or contract.

* The premium will increase as a higher percent of pork processed is sold into the market as value added program pork. The window has been selected to create a mechanism allowing the market risk/exposure to be spread between the seller, the buyer, and the customer. It is based on an estimated historic variable cost breakeven for production and the historic ability of the buyer and customer to increase marginal return at lower dressed meat prices and the need to reduce margins at higher prices.

* Seller agrees that buyer may, at buyer discretion, make additional adjustments in the method used to calculate price to take into account any law, rule or regulation approved by a governmental agency after the date of this agreement that affects the markets for live hogs or pork products (e.g., labeling laws). These adjustments may result in either increases or decreases in price. Buyer shall provide written notice to seller in advance of any such adjustment.

* Buyer may unilaterally amend or replace the floor price matrix for reasons that include, but are not limited to the following: (1) the markets quoted for corn and soybean prices are no longer true and reliable indicators of such markets; (2) corn and soybean meal are no longer considered to be the major ingredients of high quality feed rations; (3) any changes in production management or other unforeseen circumstances which affect the matrix; or (4) upon a review conducted by determines that the matrix no longer accurately measures hog production costs and efficiencies.

Purchase Conditions and Payment - Data Validation

* Carcasses which are unidentified or carcasses with missing information, such as weight, lean result from manual skinning to remove defects, missing or unreadable tattoos, carcass scale malfunction, or other related factors. In the event that carcass weights and/or carcass quality Information cannot be identified on an Individual carcass, the carcass will be added back to the lot and paid on the basis of thief lot average for carcass weight on which information has been collected. [In the event that more than 15 excluding dead and condemned hogs) of the carcass weights are missing the lot shall be paid off of the live weight of the lot and will use the dressed yield from the most recent representative lots delivered to buyer. In the event that there are both missing live and carcass weights seller shall be asked for proof of live weight from a certified scale. In the event that seller cannot produce proof of live weight from a certified scale, the average dressed weight from the previous 3 lots shall be used for payment purposes.]

* In the event more than twenty percent (20) (excluding dead and condemned hogs) of the carcass weights are missing, the lot shall be paid off of the live weight of the lot and will use the dressed yield and sort premium from the three most recent representative lots delivered to the plant. In the event that both live and carcass weights are missing, the seller shall be asked for proof of live weight from a certified scale. In the event that seller cannot produce proof of live weight from a certified scale, the average dressed weight from the three most-recent representative lots delivered to the plant shall be used for payment purposes.

* For each identified carcass, buyer will use reasonable parameters to validate the data as specified in specified paragraph of the agreement. These data validation parameters may be changed from time to time by buyer.

* With respect to any lot, in the event buyer's records reflect any discrepancies in the number of carcasses identified in the lot, the lot will be paid based on the preferences and provisions as specified in specified paragraph of the agreement.

* For each identified carcass, buyer will use reasonable parameters to validate the data for four (4) specific carcass data elements. As of the effective date, the parameters for these four (4) carcass data elements are: (i) carcass weight – 120 thru 310 pounds; (ii) fat depth – 0.1" thru 1.7"; (iii) loin depth – 1.3" thru 3.2"; and (iv.) lean percentage – 43.0 thru 63.9. If a value for any of these data elements for an identified carcass is not within the range of its data validation parameters, then buyer will exclude all the data for that identified carcass. These data validation parameters may be changed from time to time by buyer.

* As of the effective date, the parameters for these four carcass data elements are: (i) carcass weight 20 thru 310 pounds; (ii.) fat depth - 0.1 thru 1.7; (iii.) loin depth - 1.3 thru 3.2; and (iv.) lean percentage - 43.0 thru 63.9.

Purchase Conditions and Payment - Forward Contracts

* Seller may request us to execute futures contracts. All gains buyer realize on trading such futures contracts will be included in the agreement price for seller's hogs. All losses buyer realize on trading such futures contracts will be included in the agreement price for Seller's hogs. Whether seller request trading of futures contracts is entirely up to Seller. All trades will be made by us in our account using a broker buyer choose. (1) Target CME Futures Price per Delivery Period. If Seller desire trading of futures contracts for use in establishing the agreement price for Seller's hogs, Seller must tell us (by telephone conversation, e-mail, fax or letter) Seller's target CME futures price for such hogs. Seller's target CME futures price must be filled at least fifteen (15) days before the start of the Delivery Period. Hogs that Seller choose to price based on trading of futures contracts must be in even increments of 40,000 carcass pounds per half-monthly delivery period. Buyer will execute (sell) futures contracts in 40,000 carcass pound increments, if and when the futures market reaches the target CME futures price, and an order fills at that price. The CME futures month corresponding to each half-monthly delivery period is set forth on specified exhibit. All executed futures contracts will be offset by taking an opposite position the day prior to delivery. If buyer implement the offset and delivery is delayed, futures gain or loss will be determined as of the day the offset was implemented. (2) No Liability for Failure to Execute Futures Contracts. Futures may not reach the target CME futures price, orders may not fill at that price, or limited trading volume or other factors may prevent execution of futures contracts for all carcass pounds at the target CME futures price. Buyer are not liable for any failure to execute futures contracts. (3) Calculations of Gains and Losses. Buyer will notify Seller whenever buyer execute futures contracts at the target futures price. If buyer are able to execute futures contracts at the target CME futures price, then the gain or loss buyer realize on such futures contracts will be included in the calculation of the agreement price. See specified exhibit for examples of calculating the agreement price with gain and loss on trading of futures contracts. (4) Delivery Corresponds with Futures Position. Seller must deliver hogs corresponding to the futures position Seller request us to take. For example, on an actual basis pricing, if Seller sell June contracts, all of those June contracts must be delivered against before the June contract period expires (see specified exhibit for delivery periods; June contracts must be delivered between specified dates When the CME futures market is suspended or locked limit down, then the pricing will be established on the next permitted trade. If the Chicago Mercantile Exchange provides advanced notice that CME futures will be closed for trading due to a holiday, then the most recent CME futures market prior to that day will be used. If the CME futures are closed for trading due to unusual circumstances and/or the Chicago Mercantile Exchange does not provide advanced notice of the market closure, then the next available CME futures market will be used. (6) We will calculate the Base Price upon each

delivery of carcass pounds covered by a futures contract. The Base Price is calculated on the price effective for each delivered load of hogs as of that load's delivery date. B. Administrative Fee. You agree to pay us an ongoing administrative fee of NUMBER REDACTED per carcass cwt. for all hogs ($NUMBER REDACTED per CME Futures Contract) that you choose to price based on trading of futures contracts. This fee covers our expenses in administering this contract pricing program and margin calls we incur under the program. We will deduct the administrative fee from the agreement price for each payment we make to you for hogs. C. Trading Costs. You agree to pay us all out-of-pocket fees and transaction costs we incur to make the futures trades you request under this agreement. Our current trading costs are set forth on specified exhibit. We will provide you written notice of any change in our trading costs. We will deduct the trading costs from the agreement price for each payment we make to you for hogs.

* Seller may contact buyer and make a firm forward pricing offer to sell a lot or lots seller is to deliver to buyer during a specific delivery period at a specified price. Buyer will confirm receipt of seller's firm offer. Buyer may, in its sole discretion, reject seller's firm offer. Any acceptance by buyer of seller's firm offer is contingent upon buyer' ability to hedge its price risk associated with seller's firm offer. If buyer hedges its price risk to its satisfaction, buyer will issue a forward pricing confirmation, confirming the price at which the parties agree to buy and sell the lot or lots and the other variables associated with forward pricing the lot or lots. Until buyer sends seller a forward pricing confirmation with respect to a firm offer, seller may withdraw such firm offer with forty-eight hours written notice to buyer.

* Under certain market conditions, it may be advantageous to both parties to forward price. This opportunity provides a revenue benchmark for a specific period of time and aids in budgeting and decision making when pricing and purchasing feed and other inputs.

* CME forward contract will not be offered as part of this agreement.

* Any lot that has not been forward priced pursuant to specified section of this addendum by the day that is days prior to the beginning of the delivery period in which the lot is to be delivered will automatically be forward priced by buyer at the then current price of the Lean Hogs Futures Contract as reported by the Chicago Mercantile Exchange for the futures reference month corresponding with such delivery period as identified in specified exhibit. If the Chicago Mercantile Exchange provides advanced notice that Lean Hog Futures Contracts will be closed for trading due to a holiday, then the most recent day on which such contracts were traded prior to that day will be used. If the Chicago Mercantile Exchange closes Lean Hogs Futures Contracts trading due to unusual circumstances and does not provide advanced notice of the market closure, then the next day on which such market is traded at the Chicago Mercantile Exchange will be used. If the forward price is determined pursuant to this section of this addendum, buyer will issue a forward pricing confirmation, confirming the forward price and the other variables associated with forward pricing the lot or lots.

* Hogs delivered by seller under a CME forward contract will be counted as part of seller’s annual total production commitment in specified section, and the price seller receives for the hogs under the contract will be deemed the market price for such hogs under specified section of this agreement.

* The seller may request to set the price of future deliveries of hogs by utilizing the pricing structure of this section. Hogs priced according to this section shall be delivered during a delivery period determined by mutual agreement of the parties. The buyer shall designate the specific day for delivery provided that such date is within the delivery period. Notwithstanding the foregoing, upon mutual agreement of the parties, the designated delivery date may be before or after the delivery period. In the event seller fails to deliver the hogs on the

designated delivery date, at the election of buyer, the alternative price shall be discounted by the greater of a) the cash market depreciation from the last day of the delivery period until actual delivery, or b) $1.00 per cwt for each week elapsed between the last day of the delivery period and actual delivery of the hogs. At least 30 days prior to the beginning of the delivery period, buyer shall notify the seller of the basis price for seller's hogs. After such notification and at any time the Chicago Mercantile Exchange lean hog futures contract is open and trading, Seller may request that the buyer set the alternative price, provided that such request is also made at least 30 days prior to the beginning of the delivery period. Upon such request, the alternative price shall be the price of the first trade that the buyer fully executes for the futures contract plus the basis price. Similarly, in the event that the CME futures contract is locked limit down, the alternative price shall be the price of the first trade that the buyer fully executes for the futures contract plus the basis price. If seller fails to request that the buyer set the alternative price according to the terms of this section, then the alternative price shall be the price of the last CME futures contract fully executed by buyer on the last day of the applicable pricing period for the delivery period plus the Basis Price. In the event of default by seller on any basis priced hogs, buyer's remedies shall include but not be limited to payment to buyer of the difference between the prevailing price as of the actual delivery date for basis priced hogs and the alternative price as well as any other monetary losses incurred by buyer on the CME hog futures contract.

* Seller acknowledges that it is a merchant as that term is defined by the Uniform Commercial Code with respect to all transactions entered into with buyer. Seller acknowledges that it is bound by any forward pricing confirmation issued by buyer. Seller acknowledges that it has the obligation to carefully review any forward pricing confirmation and immediately notify buyer of any concern with respect thereto. Buyer reserves the right to require that seller sign and return any forward pricing confirmation.

* Forward pricing confirmation means a written confirmation sent by buyer to seller following the parties' agreement with respect to the forward pricing of a lot or lots.

* Put-Option Premium Cost: The cost to purchase the Put-Option Strike Price, shown as both a per hundredweight carcass cost and as total dollars, will be deducted from payment at the time of the first sale resulting from this contract.

* Buyer shall notify facilitator of all outstanding weight to be delivered. If the required weight is not delivered on a timely basis, buyer may liquidate the position and assess a penalty for the outstanding weight to seller that buyer may deduct from the next settlement sent to facilitator. Facilitator and sellers understand that buyer, upon receipt of instructions from facilitator, will hedge the risk price of the hogs received from an individual seller and covered by this agreement on the Chicago Mercantile Exchange Lean Futures Market, which hedging shall involve financial obligation on the part of buyer. It is the obligation of that individual seller to be responsible to buyer for orders executed on behalf of that individual seller; that individual seller will be liable to buyer for damages due to inaccurate information at the time of execution. Upon the failure of an individual seller, for any reason, to deliver all or any portion of the hogs covered by this agreement at the time and place designated by buyer, that individual defaulting seller shall be liable to buyer for liquidated damages to make buyer whole for the futures positions that buyer took on behalf of that individual defaulting seller.

* Seller agrees to forward price specified lots (which is equal to specified carcass pounds, or approximately specified hogs) per delivery period. Seller acknowledges that this number of forward priced pounds may not constitute all of the hogs it is required to deliver under the agreement, and that seller is required to deliver all hogs called for under the agreement. If seller delivers a quantity in excess of the specified lot or lots, the excess quantity will be priced pursuant to the agreement without giving effect to this addendum.

* Should seller make an offer to forward price multiple Lots pursuant to specified section of this Addendum, buyer may, in its sole discretion, accept only a portion of such offer. Buyer will identify the total number of lots which it agrees to forward price in the forward pricing confirmation that buyer sends seller. Unless buyer expressly rejects the remaining portion of seller's offer or seller withdraws the remaining portion of such offer in accordance with the terms of this addendum, buyer may later accept additional portions of seller's offer. If buyer does not reject the remaining portion of seller's offer and seller does not withdraw such offer, buyer may accept the remaining portion (or any portion thereof) and if it does so, will send seller another forward pricing confirmation. For avoidance of doubt, any lots which have not been forward priced pursuant to specified section of this addendum will be automatically forward priced pursuant to specified section of this addendum.

* Seller may contact buyer and make a firm forward pricing offer to sell a lot or lots seller is to deliver to buyer during a specific delivery period at the current market price. Buyer will confirm receipt of seller's offer. Buyer may, in its sole discretion, reject seller's offer. If buyer accepts seller's offer, buyer will undertake to hedge its price risk. Buyer will issue a forward pricing confirmation, confirming the price at which the parties agree to buy and sell the lot or lots, which will be equal to the price at which buyer hedges its price risk, and the other variables associated with forward pricing the lot or lots. If, for whatever reason, buyer does not hedge its price to its satisfaction, there will be no forward price for the relevant lot or lots and buyer will so advise the seller of the failure to reach an agreement as to forward pricing of the lot or lots.

* Any hogs delivered by seller under a buyer carcass hog contract (also known as the CME forward contract) will be counted as part of seller's annual total production commitment in specified section, however, the seller will not have any floor price guarantee or deficiency account protection and reserve amounts will not be deducted. The seller will receive the forward contract price for hog deliveries under forward contracts unless there is a balance in the deficiency account. When there is a balance in the deficiency account, any amounts to be received under the forward contract which exceeds the amounts that would be received using the floor price at the time of delivery, will be deducted from seller's check and applied to the deficiency account until such account has a zero balance.

* If Seller fails to deliver the required number of hogs to satisfy the contract and the CME transaction is positive for the seller, seller will only receive a CME adjustment proportional to the actual lbs. delivered. If the CME transaction is negative for the seller, seller shall incur the entire negative transaction. Seller is responsible for any expenses incurred by buyer in the recovery of defaulted value and buyer shall be entitled to deduct any amounts due by seller from a future transaction.

* Seller acknowledges that the failure to deliver all of the contracted forward priced pounds within the delivery period constitutes a material breach of this addendum and the agreement. Notwithstanding any provision of the agreement to the contrary, buyer is entitled to collect any and all damages associated with seller's failure to deliver all of the pounds for which the parties have agreed to a forward price during the required delivery period, including but not limited to, (a) any trading costs and trading losses incurred by buyer in connection with hedging its risk associated with forward priced hogs, and (b) any other indirect, incidental or consequential damages incurred by buyer as a result of such seller's failure to deliver forward priced hogs.

* Put-Option Strike Price: The stated price that the seller chooses to initiate into a Put-Option Contract with buyer. The actual basis will be added or subtracted from the Put-Option Strike Price to determine the Insured Put-Option Base Price.

* Buyer may make available a forward pricing program to seller. If Seller desires to sell hogs pursuant to such forward pricing program, it shall execute a CME hog futures contract with buyer and the terms and conditions of such contract shall be incorporated into this agreement. Seller may be required to submit financial information subject to specified section of the agreement. Further, if seller is a corporation, limited liability Company, or other legal entity designed to shield its owners from certain liabilities, the principals of seller may be asked to execute a guaranty in order to utilize buyer's forward pricing programs.

* Any hogs delivered by seller under a carcass hog contract (also known as the CME forward contract) will be counted as part of seller's annual production commitment in specified section. The seller will receive the forward contract price for hog deliveries under forward contracts instead of the price pursuant to specified section. [Actual basis fees will apply.] [The basis stated in specified section will not determine the final basis used for forward contracts; however, the price paid may be used in determining basis under an actual basis contract.][The basis calculation in specified schedule will be used for forward contracts at the time the forward contract is established.]

* Delivery period means that period identified in the forward pricing confirmation when delivery of hogs will occur. An example schedule outlining delivery periods is attached as specified exhibit.

* Insured Put-Option Base Meat Price: Calculated by adding or subtracting the specified confirmed basis from the Put-Option Strike Price. The Base Meat Price will be the higher of the Insured Put-Option Base Meat Price or the buyer's formula price being paid by buyer on the day hogs are delivered under this agreement.

* Forward Contract means the hog purchase confirmation and contract used by buyer from time to time.

* Buyer and Seller agree and do hereby enter into this Master CME agreement for the sale and purchase of hogs. This agreement shall govern the relationship between seller and buyer for the specific sale and delivery of hogs under individual CME Contracts on the following terms: At the end of each quoted futures month, seller must be in compliance with their deliveries on carcass weight If out of compliance, a penalty will be assessed of $(4.00) cwt carcass on the contract weight outstanding or undelivered in addition to any market loss after the closing date of the CME contract month. Penalty calculated as follows: buyer base from original week ending date of delivery less buyer based on actual delivery date / 74.5 = contract market discount (any market gain with the CME positions will be forfeited).

* There shall be no delivery of hogs in settlement of this contract. All contracts open as of the termination of trading shall be cash settled based upon the CME Lean Hog Index® for the two-day period ending on the day on which trading terminates.

* Seller will have the ability during the contract to utilize buyer's forward contracting program.

* Buyer may make available a forward pricing program to seller. If seller desires to sell hogs pursuant to a forward contract, it shall execute a forward contract with buyer. Hogs that are not sold pursuant to the forward contract will be sold at the base carcass price.

* At the end of each quoted futures month seller must be in compliance with their deliveries on carcass weight If out of compliance, a penalty will be assessed of $(4.00) cwt carcass on the contract weight outstanding or undelivered in addition to any market loss after the closing date of the CME contract month. Penalty calculated as follows: Buyer base price from original weekending date of delivery less buyer base price on actual delivery

date/ 74.5 = contract market discount (any market gain with the CME positions will be forfeited).

* The seller may instruct buyer to convert this put-option contract to a buyer hog carcass contract. Doing so would require the signing of a supplement to the buyer hog carcass put-option contract. The cost to purchase the put-option will be deducted from the first payment for hogs delivered under the buyer hog carcass contract.

Purchase Conditions and Payment – Freight

* Seller shall be solely responsible for all costs and expenses incurred for transportation to deliver hogs to the processing facility. In order to offset at least a portion of the transportation costs, buyer shall pay to seller a transportation allowance per hog delivered by seller and accepted by buyer.

* Seller shall deliver to buyer's specified processing plant or any other processing plant buyer may designate, seller hogs in seller's truck or seller's agents' truck. Buyer shall pay to seller the sum of $0.49/cwt ($0.0049/lb.) of hog on a live weight basis or in buyer's discretion, $0.65/cwt ($0.0065/pound) on a carcass weight basis. In the event buyer requires the hogs be delivered to a location other than the buyer specified facility, the parties agree to negotiate, in advance, a mutually agreeable modification to trucking rate. All trucks used shall meet seller's bio-security requirements.

* Transportation allowance shall mean an amount computed by buyer per hog based on an overall average transportation allowance of $1.60 per carcass cwt of hog for all hogs delivered to processing facility by seller.

* In the event buyer requests seller to deliver hogs to a processing plant other than a designated plant, seller and buyer shall determine the purchase price in accordance with specified paragraph below at the time of scheduling any such delivery.

* The seller has agreed to deliver the hog carcass weight in the delivery units specified on the front of this contract on single delivery dates during the delivery period. The buyer may specify the date and time of delivery during the delivery period, upon at least a two-day notice to the seller. Early or late delivery will be subject to buyer’s approval. If the number of deliveries exceeds the delivery units, a penalty may apply. It shall be the buyer’s option to require delivery to other buyer plants with additional freight paid by buyer (with exception of a transfer, to accommodate country of origin label requirements).

* The costs of transporting hogs to buyer's plant shall be borne solely by seller. Seller shall coordinate deliveries with buyer and shall supply buyer with prearranged schedule, acceptable to buyer, listing pick-up and/or delivery times and numbers of hogs to be transported, at least 1 week prior to the scheduled hog pick-ups. Buyer reserves the right to require the use by seller, at seller's costs, of appropriate bedding to be utilized in trailers when seller is transporting or has arranged transportation of contracted hogs. Seller shall require all truckers comply with the buyer trucker quality assurance program.

* Delivering the hogs to a delivery plant other than the delivery plant(s) designated on the delivery schedule if so directed by buyer. Buyer will pay seller for additional freight costs incurred by such delivery pursuant to buyer' then current standard livestock freight schedule.

* Seller shall provide transportation at seller's expense to the slaughter facility of buyer located at specified location. Buyer may request that one or more lots of qualifying hogs be delivered to a slaughter facility other

than one designated in this section. In the event this occurs, buyer will add or subtract freight according to the attached specified exhibit.

* All hogs purchased hereunder shall be delivered by seller to the processing plants designated from time to time by buyer. For purposes of this agreement, delivery means the unloading of the hogs with the freight charges paid by seller from seller's production facilities. Deliveries of hogs shall be made as specified by buyer, including deliveries on Saturdays and/or Sundays. Should buyer ask seller to deliver to a processing plant other than the processing plant contemplated in the negotiation of this agreement, buyer shall pay all reasonable incremental transportation costs, if any, due to such request.

* Hogs shall be of proper weight and quality for processing at buyer. Seller is responsible for any transportation costs or other losses associated with failure to deliver hogs that meet buyer requirements.

* Seller shall be paid a freight allowance of $3.00 carcass cwt for all hogs in accordance with this agreement.

* Freight will be paid by the seller.

* Buyer may require seller to deliver to an alternate site within 200 miles of buyer's scheduled plant upon forty-eight (48) hours advance notice. Actual freight charge differentials resulting from delivery to other sites shall be paid by buyer within ten (10) days of written notification by seller. The parties shall mutually agree upon the freight charge differential in advance of any alternate site delivery.

* Seller may deliver hogs to a buyer location or and buyer hog buying station. If seller delivers hogs to a buyer hog buying station, the base carcass price will be adjusted downward to reimburse buyer for the freight cost to deliver the hogs to the location from said hog buying station. No freight cost adjustment shall be made on hogs delivered to the location.

* Seller is responsible for all transportation, insurance and market commission costs incurred in connection with the delivery and sale of livestock.

* If during the term of this agreement, seller delivers a substantial number of hogs from other finishing sites of seller's which are not located in specified location, the parties will review the delivery requirements in specified section and make mutually agreeable and reasonable adjustments to allow buyer the ability to deliver hogs to at least one additional plant without having to seek the seller's consent on a delivery by delivery basis (buyer would still be obligated to pay incremental shipping costs as discussed in specified section). It is the intent of the parties to reasonably work together under this agreement to avoid production interruptions and to create operational efficiencies at each party's respective operations, and if seller's deliveries of hogs from locations outside central Iowa cause unreasonable interruptions or inefficiencies at buyer's operations the parties will discuss the reasonable adjustments referenced herein.

* Seller shall be solely responsible for all costs and expenses incurred for transportation to deliver hogs to the designated facility. [Buyer shall pay no transportation allowance to seller.]

* Seller shall be responsible for and shall bear the cost of delivering to buyer all hogs sold hereunder. Delivery of hogs shall be made by seller to any buyer facility plant located in a state where buyer from time to time shall direct.

* Seller shall provide transportation of qualifying hogs in quantities set forth in specified exhibit at seller's expense to the slaughter facility of buyer located at specified location. Buyer may request that one or more lots of qualifying hogs be delivered to a slaughter facility other than one designated in this section. In the event this occurs, buyer will pay the incremental freight to the destination plant. Seller and its trucker must abide by all USDA and buyer animal welfare policies, including buyer trucker policy for animal welfare and handling, a copy of which is in specified exhibit.

* Seller agrees to arrange with buyer weekly hog deliveries to buyer's plant located in specified location buyer may schedule delivery of hogs to other buyer plants without sellers consent if buyer does not increase the shipping distance by more than fifty (50) miles; however, buyer will be responsible for any incremental shipping costs associated with delivering the hogs to another plant. Except as provided herein, deliveries to any other buyer plants that will increase the shipping distance by more than fifty (50) miles must be mutually agreed upon by the parties in advance. If buyer is unable to schedule deliveries at the specified plant due to a Force Majeure event (as defined in specified section), or for other reasons outside of buyer's control, buyer can schedule deliveries of seller's hogs to other buyer plants without seller's consent. In such event, buyer will use good faith efforts to schedule deliveries to one of the two closest operating buyer plants (excluding the specified location) unless seller is an approved supplier for buyer customer), and buyer will be responsible for any incremental shipping costs associated with delivering hogs to another plant. Although seller will be responsible for meeting the quantity requirements specified herein, seller will solely decide when given hogs are ready for slaughter and will be eligible to be scheduled by the parties for delivery pursuant to this section.

* Buyer agrees to pay seller a trucking reimbursement fee of $.0198 per live pounds delivered for the life of the agreement. Further buyer shall pay to seller a fuel surcharge as outlined in specified attachment. Both the trucking reimbursement and fuel surcharge shall be paid on a weekly basis.

Purchase Conditions and Payment - Ledger Details

* Additional consideration: In addition to the other consideration set forth herein, seller shall pay Buyer the sum of One Million and no/I00's Dollars ($1,000,000.00) within ten days (10 days) after the execution of this second amendment to agreement but in no event earlier than specified date.

* If the deficiency account has a positive balance, deductions will be made from seller checks for hogs when the market price (converted to a live price) exceeds the floor price. All amounts which exceed the floor price shall be subtracted from seller's check and applied to the deficiency account balance until the deficiency account is reduced to zero. If there is no deficiency account balance, then the market price will be paid to seller subject to reserve amount deductions pursuant to specified section.

* The reserve account will be paid interest by buyer at the prime rate, as reported in the Wall Street Journal during the term of this agreement. When there is a balance in the Reserve Account, interest will accrue at the interest rate, which will be adjusted quarterly and compounded on a quarterly basis on the first day of each quarter, and will be added to the reserve account balance. At the end of the term of the agreement, any amount, with interest, that has accrued in the reserve account shall be repaid by buyer to seller within 10 days of the end of the term. Buyer agrees to maintain records relating to the reserve account, and upon seller's reasonable requests buyer shall furnish copies of such records to seller or extracts therefrom. The maximum balance (not including interest) that seller will maintain in the reserve account is specified amount. When the specified amount is attained, then the reserve amount deduction pursuant to this section will not apply until the

reserve account is reduced to less than specified amount. The reserve account maximum is determined by multiplying $10/head times the highest number of head per year as shown in specified section. If seller delivers more hogs than indicated in specified section, at the end of each year buyer will increase the reserve account maximum balance by multiplying $10/head times the actual number of head delivered in such year. When there are deficiency amounts, and when the reserve account has a zero balance, such deficiency amounts will be accounted for by buyer in an account maintained by buyer for seller to accrue deficiency amounts as follows: The deficiency account will be charged interest at the interest rate during the term of this agreement. The deficiency account will be solely seller's responsibility to repay pursuant to specified section. When there is a balance in the deficiency account, interest will accrue at the interest rate, which will be adjusted quarterly and compounded on a quarterly basis on the first day of each quarter, and will be added to the deficiency account balance owed to buyer, unless provided for otherwise. At the end of the term of the agreement, or immediately upon any termination pursuant to specified section, any amount, with interest, that has accrued in the deficiency account shall be repaid to buyer. If seller does not want to immediately repay buyer at the end of the term, seller may request to continue deliveries of hogs to buyer until the deficiency account is repaid. Upon buyer's written approval (which approval shall be solely at buyer's discretion), seller may continue to deliver hogs after the term to repay the deficiency account. Buyer will mutually agree on the number of hogs the seller will deliver, over a given period of time, and buyer during that period of time will pay the seller for each hog the price minus the higher of (1) the deficiency account balance (including estimated interest for the period) divided by the number of hogs to be delivered during the extension period, or (2) the amount the price exceeds the floor price. Within ten days of the end of such extension seller shall pay buyer any amount in the deficiency account that remains unpaid. Buyer agrees to maintain records relating to the deficiency account and upon seller reasonable requests, buyer shall furnish copies of such records to seller or extracts therefrom.

Purchase Conditions and Payment - Offsets/Overpayments

* In addition to any rights now or hereafter granted under applicable law or otherwise and not by way of limitation of any such rights, buyer is hereby authorized at any time or from time to time, without presentment, demand, protest or other notice of any kind to seller, any such notice being hereby expressly waived, to setoff and to appropriate and apply any and all payments owing by buyer to or for the credit or the account of seller against and on account of any amounts owing by seller to buyer or claims of seller arising out of or in connection with this agreement.

* In the event any of the hogs supplied by seller to buyer hereunder, regardless of whether they are produced in accordance with an approved genetics program and/or fed feedstuffs which are not rejected by buyer, yield a poor quality product which is not saleable at buyer's customary market prices, then seller shall reimburse buyer for all losses resulting therefrom; and buyer shall have a right to offset against any amounts payable to seller hereunder the full amount of such losses.

* The contract price, as adjusted by applicable premiums and discounts, to be paid to seller for contract hogs may be reduced by an offset as provided in this agreement. [if (i) one or both of the parties, or a third party on their behalf, has conducted an investigation into the claimed breach, and (ii) the parties have met in good faith to discuss the claimed breach, and (iii) the parties have agreed upon the amount of the offset to be withheld as full or partial damages for the claimed breach.]

Swine Packer Marketing Contract Summary – National Other Provisions

* If buyer overpays seller for hogs, seller agrees to promptly repay any overpayment upon receipt of notice of the overpayment. If seller fails to do so, buyer may deduct the overpayment from the contract price for seller's next delivery (ies) of hogs.

* Buyer's right of setoff shall mean the right of buyer to set off and to appropriate and apply any and all payments owing by buyer to or for the credit or the account of seller against any amounts owing by seller to buyer or against any claims asserted by buyer against seller arising out of or in connection with this agreement or any other agreement or transaction between seller and buyer.

* If seller is in default, buyer may offset any amounts owed to buyer under the sections titled direct damages and indemnity against any amounts otherwise due and owing to seller under this agreement and any other agreement or transaction between the parties until all such amounts owed to buyer have been satisfied.

* In the event that buyer pays the agreement price for any non-conforming hogs according to this section, buyer, at its option, may deduct any overpayment against current and future amounts owed by seller to buyer under this agreement. Buyer shall also have the right to offset against current and future amounts owed by seller under this agreement. Any and all damages sustained by buyer as a result of seller's breach of this agreement, including without limitation seller's failure to deliver the quantity of hogs required under this agreement. In the event that buyer has reasonable grounds to believe that seller's ability to perform under this agreement is impaired, then buyer may, in writing, demand from seller adequate assurance of due performance, and buyer may suspend its performance under this agreement, if commercially reasonable to do so, until such adequate assurance is provided by seller. If seller fails to provide such adequate assurance within a reasonable time, not to exceed 10 days, then buyer may terminate this agreement. The rights and remedies set forth in this article are non-exclusive and shall be in addition to any other rights or remedies that may be available to buyer at law or in equity.

* The administrative fee/commission to be paid facilitator may be reduced by an offset as provided in this agreement.

* If buyer incorrectly pays facilitator or a seller for hogs, buyer will recalculate the value for such hogs and provide facilitator or that seller, as applicable, with a written recalculation of the corrected net amount due, and then either add the underpayment to, or deduct the overpayment from, facilitator or that seller's (as applicable) next delivery(ies) of hogs. If facilitator or that seller is not scheduled to make additional deliveries of hogs in the near future following the discovery of the error, buyer will make a separate payment to facilitator or that seller, as applicable, in the event of an underpayment, or will request facilitator or that seller, as applicable, to reimburse any overpayment.

* We have the right to delay, adjust, or offset the amount you are paid under the contract for various reasons. Such changes may mean that you are paid less for your hogs as compared to prior to the change.

* If seller is in default and the requirements and conditions to offset under specified subsection of this agreement are satisfied, buyer may reduce amounts otherwise due and owing to seller under this agreement by any amount of offset agreed to by the parties pursuant to specified subsection of this agreement. If buyer is in default, seller may suspend deliveries of hogs to buyer until all amounts otherwise due and owing to seller under this agreement or pursuant to any other transaction between the parties has been paid and/or satisfied.

Purchase Conditions and Payment - Other Payment Provisions or Conditions

* All offal loses in excess of buyer's average operating results due to condemnation by USDA shall be adjusted according to prevailing market conditions at the time of slaughter.

* If seller has available loads and buyer has space prior to the inception date of specified date then the pricing structure of this agreement will be in effect.

* Seller understands and acknowledges that buyer may suspend, at its option and upon 30 days' notice to seller, seller's participation in the above-referenced program. Upon suspension of participation as provided for in this section, buyer shall pay to seller all unamortized start-up costs incurred by seller in obtaining certification together with 20 of seller's start-up costs which are not subject to depreciation (all as determined by seller from its books and records) but in a total amount not to exceed $200,000. Said sum shall be due and owing no later than 60 days following such notice to seller of suspension of buyer's participation in said program. Buyer shall not be required to make any payment hereunder (1) if seller fails to remain certified for a period of one (1) year, or (2) if seller remains certified pursuant to the above-referenced program and buyer increases the base payment percentage by.75 for certified hogs, for a period of one (1) year, as provided for in specified section.

Purchase Conditions and Payment - Payment Calculation

* Seller agrees that under market price described above may, at discretion, make additional adjustments in the method used to calculate market price to take into account the category under which pork products from the hogs must be labeled and sold in order to comply with changes in the law, including but not limited to Country of Origin labeling requirements. These adjustments may result in either increases or decreases in market price. Buyer shall provide written notice to seller in advance of such changes.

* All qualifying hogs and non-qualifying hogs delivered under this agreement are purchased subject to passing inspection by the USDA with deductions to the purchase price for all carcasses or carcass parts that are condemned or not unconditionally approved by the USDA inspectors. Non-qualifying hogs will be purchased at the prevailing price for livestock meeting the quality of the non-qualifying hogs.

Purchase Conditions and Payment - Penalties for Failure to Meet Standards

* If buyer receives a report of inappropriate animal care involving seller or a seller's employees, buyer will immediately conduct an investigation into the reported allegations. The seller must cooperate with the investigation, with buyer and with legal authorities. During the investigation, hog shipments from the suspected site will be suspended indefinitely. This suspension of shipments will not be deemed a breach of any written contract or verbal agreement by buyer. If after appropriate investigation, buyer has reasonably determined that animals were wrongfully abused or handled in an inappropriate manner (inconsistent with industry standard practices), in violation of buyer’s quality assurance programs, which includes an animal care & handling program, this will be deemed a default of any agreement or verbal agreement between buyer and seller. Upon default, buyer reserves the right to take appropriate action up to and including immediate termination of any hog agreement or portion thereof from the violating seller, or immediate termination of any outstanding orders under a verbal agreement with the violating seller.

* If seller receives two consecutive quality evaluations with scores below 50, they may be eliminated from the program within 90 days.

* At any time seller is in default, buyer may adjust the agreement price to be paid to seller to be equal to the lower of (i) the agreement price calculated pursuant to specified section or (ii) buyer's 11:00 a.m. daily quoted market price for the applicable delivery plant for the day preceding delivery, as adjusted by specified section. Carcass merit program premiums and discounts will be determined on the basis of buyer's daily quoted market price whenever such price is used in determining the price to be paid to seller.

* Any purebred Berkshire hogs that fail to meet the specifications for acceptance under the agreement will be paid at the base price above adjusted by the carcass merit program. Any such hogs will not be eligible for the premium.

* Sellers that do not receive a carcass data score over 80 are not eligible for the quality premium.

* Buyer shall maintain data comparing the price paid by buyer to seller under the terms of this agreement with the specified price as published by the USDA for hogs. Buyer shall provide a copy of such data to seller quarterly. Should seller fail to deliver to buyer the quantity of hogs required to be delivered under this agreement in any year of this agreement, then in addition to all other remedies available to buyer under this agreement and under law, seller shall pay to buyer as a penalty for such non-delivery the total difference as shown in the data between the amounts paid to seller under this agreement and the specified price as published by the USDA or $5.00 per head for each hog not delivered, whichever is greater.

Purchase Conditions and Payment - Pricing Disputes

* If an adjustment to the market price is required pursuant to specified exhibit, and if such adjustment is not mutually agreed in writing within thirty (30) days, then the parties agree such issue shall be submitted by either seller or buyer to final and binding arbitration in the federal judicial district in which the principle part of the performance takes place under this agreement in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall be conducted by a single arbitrator selected by mutual agreement of the parties within thirty (30) days after the date of submission of the dispute to binding arbitration. If the parties are unable to agree upon the arbitrator, either party may request the AAA to select the arbitrator who shall be knowledgeable and experienced in agricultural economics or swine production and marketing. The arbitrator may hear and determine any issue of law asserted by a party as dispositive, to the same extent that a court could hear and determine a motion for summary disposition. Consistent with the expedited nature of arbitration, each party will, upon the written request of the other party, promptly provide the other with copies of documents relevant to the issues raised by any claim or counterclaim. Any dispute regarding discovery, or the relevance or scope thereof, shall be determined by the arbitrator, which determination shall be conclusive. Any decision by an arbitrator or arbitration panel appointed by the AAA in accordance with such rules shall be final and binding upon the parties hereto, and judgment upon such decision or award may be entered in any judicial court of competent jurisdiction. The award of the arbitrator shall be in writing and shall include a reasoned opinion. Each party shall bear its own costs and expenses and an equal share of the arbitrator's and administrative fees of arbitration.

* In the event one party hereto requests a new index price in accordance with the provisions of specified section above and the parties are unable to reach a mutually acceptable resolution within the specified time period, the

issue shall be resolved through binding arbitration by the party seeking the change in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Any such arbitration shall be conducted in the specified location. The parties agree that a single arbitrator knowledgeable and experienced in agricultural economics or swine production and marketing, selected by the American Arbitration Association, shall act as the sole arbitrator to resolve the dispute. The arbitrator will hear the dispute in accordance with the Rules. Each party shall be entitled to be represented by counsel. Any decision rendered by such arbitrator shall be final and binding upon the parties hereto without any right of appeal. The expenses and fees of the arbitrator shall be divided equally between the parties. Each party shall be responsible for its own attorney's fees. All other expenses incurred in the conduct of the arbitration shall be divided equally between the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

* If an adjustment to the market price is required, and if such adjustment is not mutually agreed in writing within thirty (30) days, then the parties agree such issue shall be submitted by either seller or buyer to binding arbitration in specified location, in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the Rules). In the event a dispute arises which cannot be informally resolved by the parties, a single arbitrator knowledgeable and experienced in agricultural economics or hog production and marketing, selected by the American Arbitration Association, shall settle the dispute. The arbitrator will hear the dispute in accordance with the Rules. Each party shall be entitled to be represented by counsel. Any decision rendered by such arbitrator shall be final and binding upon the parties hereto without any right of appeal. The expenses and fees of the arbitrator shall be divided equally between the parties. Each party shall be responsible for its own attorney's fees. All other expenses incurred in the conduct of the arbitration shall be divided equally between the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, this section shall only have effect with respect to this agreement if seller makes an election below to have such arbitration provision apply.

Purchase Conditions and Payment - Producer or Packer Damages

* Buyer losses means the number of hogs that seller failed to deliver as required by this agreement multiplied by the positive difference, if any, between the highest base price used by buyer to procure open market hogs during the delivery periods in which seller is in default and the price at which buyer could have purchased hogs pursuant to this agreement plus any incidental or consequential damages that buyer may incur as a result of seller's failure to deliver the hogs.

* Except in the case of a Force Majeure Event or in the event that this agreement is terminated pursuant to specified section, buyer shall pay to seller the seller losses if buyer (i) refuses to accept delivery of hogs as required by this agreement, or (ii) requires hogs to be delivered to a location other than the location, as defined in specified section. Seller shall have the right to sell any hogs rejected by buyer in any reasonable manner; provided, however, that buyer shall not be obligated to indemnify seller for any losses pursuant to this specified section with respect to any rejected hogs which seller has not sold within ten (10) working days after the date buyer refused to accept delivery of such hogs. Out hogs are not subject to this section. Notwithstanding anything to the contrary herein, seller losses shall not include any incidental, special, punitive, exemplary, or consequential damages of any kind whatsoever.

* Seller losses means the number of hogs buyer failed to purchase as required by this agreement multiplied by the positive difference, if any, between the price at which seller could have sold the hogs to buyer pursuant to specified sections and the price at which seller sold the hogs after buyer refused to accept delivery and any

transportation costs incurred by seller to deliver such hogs to other buyers in excess of what seller would have paid to deliver such hogs to buyer.

* Seller agrees to pay buyer the buyer losses if seller falls to deliver hogs to the location pursuant to the terms of this agreement. [Notwithstanding anything to the contrary herein, buyer Losses shall not include· any incidental, special, punitive, exemplary or consequential damages of any kind whatsoever.]

Purchase Conditions and Payment - Revenue/Cost Calculation

* On the fifteenth day after the end of each buyer fiscal month, buyer shall perform the calculation, as described in specified subpart of specified schedule. If buyer notifies seller that the calculations using the market price are outside the range of the calculation for three consecutive months, the seller may notify buyer that the seller wishes to review the underlying buyer business records used to perform the calculation. Buyer will produce such information subject to the confidentiality provisions set forth in specified section and such information will not be disclosed to buyer's competitors and third parties who have no reasonable need to know such information. In addition, seller may review the underlying buyer business records used to perform a monthly calculation one time per year during the term of this agreement, and buyer will produce such information subject to the confidentiality provisions set forth in specified section and such information will not be disclosed to buyer’s competitors and third parties who have no reasonable need to know such information. If the seller becomes actively engaged in pork processing operations that compete with buyer's, the parties agree that seller's review of buyer records shall be conducted by a third party consultant/auditor who will conduct the review of buyer's business records. It shall be the responsibility of the auditor, subject to the reasonable approval of buyer, to create such protocols for disclosure of any information so reviewed so as to maintain confidentiality and ensure legal compliance during and after the review process. The parties specifically agree seller or the auditor will be allowed to share such information with seller's legal counsel, auditors and appropriate governmental agencies, so long as such parties agree the information will be held in confidence. Documentation necessary to calculate buyer's sales revenue will be made available for seller's or auditor's review at buyer's corporate headquarters during normal business hours as soon as reasonably available, but in no event more than ten (10) working days after seller's request and delivery on the above described protocol.

* Seller and/or the operators of the facilities, as applicable, shall be solely responsible to pay all costs and expenses necessary to produce the hogs as required by this agreement, including without limitation all cost and expense to house, feed and care for the hogs.

Purchase Conditions and Payment - Third Party Deductions

* Seller hereby authorizes and directs buyer to deduct from the purchase amount calculated in accordance with this agreement and pay on behalf of seller any mandatory or voluntary (as determined by seller) checkoff fees associated with the sale of all hogs marketed to buyer. Seller shall be solely responsible for the payment of such checkoff fees. [Buyer shall use its best efforts to make any such payments in a timely manner.]1818

* Buyer will pay to facilitator an administrative fee of specified amount per hog for all hogs seller delivers to buyer under this agreement that meet the requirements of this agreement. The administrative fee also applies to hogs delivered to buyer by seller affiliates. This fee will cover facilitator expenses in administering agreements between buyer and the seller and providing forecasts (as defined in specified section) to buyer under this

agreement. Buyer will pay the administrative fee within one week following the end of each of buyer fiscal periods. Facilitator is not entitled to any administrative fee that would otherwise be payable for hogs delivered by any seller that is in default. In addition, facilitator is not entitled to any administrative fee that would otherwise be payable for hogs delivered by either facilitator or any seller while facilitator is in default.

* On behalf of sellers, buyer will pay facilitator per hog for all hogs seller delivers to buyer under this agreement that meet the requirements of this agreement (Commission). Buyer will pay this commission on a daily basis, with the payment being made concurrently with payment to seller for hog carcasses. Facilitator is not entitled to a Commission whenever facilitator or any seller is in default. If buyer overpays facilitator, facilitator agrees to promptly repay any overpayment upon receipt of notice of the overpayment. If facilitator fails to do so, buyer may deduct the overpayment from payments otherwise due facilitator. The commission to be paid facilitator may be reduced by an offset as provided in this agreement. Buyer, facilitator, and seller agree that facilitator is not a buying agent or dealer for buyer.

* Seller shall be solely responsible for the payment of any mandatory check-off fee associated with the sale of all hogs marketed, as contemplated above.

* A $1.25/head program participation fee will be deducted by facilitator and remitted to buyer on each hog marketed. This fee will be used to fund continuing education, process verification, and marketing.

Purchase Conditions and Payment - Transmittal of Payment

* Buyer shall only become obligated to make payment of the purchase price to seller for hogs at such time as the carcasses of the hogs are weighed, graded and accepted by buyer at the plant. Buyer shall send seller payment before the close of the first business day following defemination of the purchase price.

* Buyer will make all payments to facilitator. Buyer will identify seller on the harvest information sheet. Facilitator will pay seller according to terms and conditions of the agreement between facilitator and the seller. Facilitator agrees to make payments to seller per Packers and Stockyards regulations. Seller has not in any way waived his Packers and Stockyards Rights.

* On behalf of sellers, buyer will pay facilitator per hog for all hogs sellers deliver to buyer under this agreement that meet the requirements of this agreement. Buyer will pay this commission on a daily basis, with the payment being made concurrently with payment to sellers for hog carcasses. Facilitator is not entitled to a commission whenever facilitator or any seller is in default.

* Buyer shall make all payments to facilitator for application by facilitator in accordance with the facilitator agreements.

* Seller may elect to defer any payments due from buyer to a later date by executing a deferred payment agreement. Any payments deferred pursuant to said deferred payment agreement shall relieve buyer of any penalties under this article or the law and buyer shall have unrestricted use and control over the deferred funds until they are paid to the seller.

* Make payment available to seller on the first working day following the slaughter of the hogs.

* Buyer shall make prompt payment to seller within one business day once carcass value has been determined. Payment shall be made by check or ACH at seller's request.

* Payments are due to seller/ [facilitator, as the agent of each seller], within one business day of the determination of value at the buyer facility. Buyer shall send seller's/facilitator's payment via United States mail or via ACH. In the event that buyer is notified by a lien holder of the existence of a lien on hogs delivered by any seller, buyer shall: (I) follow the instructions of the lien holder, including, and not limited to, issuing a two-party check to the lienholder and seller; and (2) provide facilitator with notification that buyer has begun to follow the instructions of the lienholder thus relieving buyer of the requirement to send payments for hogs delivered by that seller to facilitator. Once buyer receives written notification that the lien is lifted or removed, buyer shall resume sending payments to facilitator.

* Payment for the hogs, less checkoffs and authorized deductions, will be made by buyer using Automated Clearing House (ACH) electronic funds transfer under standard U.S. Packers and Stockyards regulations. Carcass kill out data will be faxed or e-mailed to seller's staff and/or offices as requested by seller.

* Payments are due seller at the time the hogs are delivered by seller to the buyer facility. Buyer shall send seller payment via United State mail within two business days after the date hogs are delivered to buyer. Payment to contract provider shall be the exclusive responsibility of seller. Buyer shall have no obligation to make payment to any contract provider for seller.

* Buyer shall make prompt payment to seller within 24 hours after carcass value has been determined. Payment shall be made by check or ACH at seller's request.

* Buyer agrees to pay facilitator the commission in accordance with specified section of this agreement for the entire term of this agreement.

* All payments to be made by buyer to seller hereunder shall be due at such time as the carcasses of the hogs are weighed, graded and accepted by buyer at the plant. Buyer shall send seller payment within one business day after the determination of value of the hogs at the plant.

* Copies of the processing or slaughter reports prepared by buyer (kill sheets) for hogs delivered under this agreement will be mailed to seller within two days after the slaughter of such hogs by buyer (within one day via overnight delivery mail at each calendar month end) and shall contain information to show the calculation of the price for such hogs. Buyer agrees to use its best commercially reasonable efforts to facilitate communication of skill sheets and other routine reporting items to seller by electronic mail or other similar means. All weights referenced herein are to be taken from government inspected and certified scales.

* Base Meat Price is per hundredweight of hog carcass weight. The seller directs the buyer to make payment for the livestock by mailing a check before the close of the first business day following determination of the purchase price. This does not constitute an extension of credit to Buyer.

* Payment for each delivery of hogs to the buyer's facility shall be made to buyer by the next business day after the date of slaughter. Payment shall be deemed made on the date of mailing as determined by the postmark on such mailing, or by the date of ACH transfer. Buyer shall have the right to offset the payment by any amounts owed to buyer by seller, including price reductions with respect to prior hogs sold by seller, regardless of whether such amounts owed are in connection with this agreement. In the event of any dispute between buyer

and seller as to the amount due for any hogs delivered hereunder, payment to seller for the lot of hogs so affected shall not be due until such dispute is resolved.

* Notwithstanding the foregoing, buyer and seller agree that buyer may request that seller defer the receipt of payment of the purchase price, from time to time, and for a duration that is mutually agreeable to the buyer and to the seller. Accordingly, buyer and seller may enter into agreements, from time to time, to defer buyer's payment to seller of the purchase price as provided for herein but which deferral shall only be for a term as may be acceptable to buyer and which deferral shall be in accordance with the terms and conditions of an agreement substantially in the form as set forth in specified exhibit.

* Buyer shall pay seller in full, for hogs purchased by buyer pursuant to the PSA and any other applicable laws.

* Except as otherwise may be mutually agreed in writing by the parties, buyer shall make payment for hogs purchased hereunder by wire transfer to the designated bank account of seller, initiated by buyer's bank, not later than 12:00 noon on the banking day next following the delivery date.

* Buyer shall make all payments to seller in accordance with the marketing agreement.

* Payments shall be submitted to the seller.

* Buyer shall pay seller in full before the close of the first business day after slaughter. All payments shall be by mail to seller's offices. Payments shall be deemed made when received at seller's offices. If any liens on the hogs exist at the time of delivery, buyer shall jointly pay seller and such lien holders. Buyer shall make an ACH payment process available to seller when available.

* Buyer shall pay seller for any hogs purchased hereunder within three (3) days following the day of sale or as otherwise may be mutually agreed by the parties. The aggregate purchase price, with respect to any day of sale, shall be determined (a) if a grade and yield matrix is not in effect, by multiplying (i) the total pounds of hogs sold to buyer on that day by (ii) the applicable market value as adjusted pursuant to specified paragraph or (b) if a grade and yield matrix is in effect, in the manner specified in such grade and yield matrix. To the extent buyer purchased miscellaneous hogs on the day of sale, the aggregate purchase price payable to Grower with respect to the day of sale shall include an amount equal to the sum obtained by multiplying (i) the total pounds of miscellaneous hogs sold on that day by (ii) the price per pound bid by buyer and accepted by seller.

* Without limiting the preceding, the parties agree that buyer will pay each seller directly for hogs that seller delivered. Such payments will be made pursuant to specified section of this agreement.

* All payments to be made by buyer to seller hereunder shall be made directly and solely to seller at such times and in such manner as shall be customary in the industry and in accordance with the specified program (as hereinafter defined) or otherwise in accordance with buyer's payment programs for hogs.

* Except as otherwise specified herein, buyer shall pay seller in full for hogs [by check delivered by U.S. Mail,] pursuant to the U.S.D.A. Packers and Stockyards Act of 1921. Inspection of the hogs at the buyer plant, and the determination of the final price pursuant to specified section.

* Buyer shall send a copy of the final grading sheet to seller as soon as possible after it is issued.

* All payments to be made by buyer to seller hereunder shall be due at such time as the hogs are weighed upon unloading at buyer's plant. Buyer shall send seller payment within one business day after delivery of the hogs at buyer's plant.

* Buyer shall pay the purchase amount, less all authorized checkoffs and deductions, to seller for each day's delivery of hogs by authorizing the electronic transfer of the sum due through the Automatic Clearing House (ACH) system before the close of the first business day following the prompt determination of the purchase amount by buyer. Buyer shall make available Lot and carcass data to seller via Electronic Data Interchange (EDI) on the next business day following slaughter of the hogs.

Purchase Conditions and Payment - Weights Used for Payment

* Hogs shall have a target live weight of 275 pounds per hog. No hog shall have a live weight of less than 200 pounds or more than 340 pounds. In the event that hogs are delivered to the plant and do not meet the weight criteria, the buyer's remedies are outlined under specified section. These weights per hog, may be amended from time to time by buyer in its sole discretion; Buyer will provide seller written notice of any such amendment.

* Hot carcass weight is recorded prior to entering carcass coolers.

* For purposes of this agreement, all weights shall be determined at buyer's certified scales at its plants.

* All shipments will be weighed at state inspected scales maintained or approved by buyer. If for any reason the carcasses are not able to be weighed, carcass weights will be determined in accordance with seller's historical carcass yields. Seller shall be notified in the event it becomes necessary to utilize historical yields.

* The live weight of each lot shall be weighed at the plant upon delivery, and all carcasses shall be weighed after removal of carcass trim, as described on specified exhibit, which carcass trim procedures may be amended by buyer from time to time in accordance with industry standards. All weights shall be final and conclusive as between the parties hereto. Past averages of seller's yield and sort performance will be used to pay for hogs when there is more than 105 percent carcass identification, less than 75 percent carcass identification, holdovers or when lot carcass yields fall out of the expected range of 71.0-81.0 percent. In situations of more than 105 percent identification, holdovers or when lot carcass yields fall out of the expected range, the entire lot will be paid basis seller averages of adjusted carcass yields and sort loss for the prior two (2) weeks deliveries. For lots with less than 75 percent carcass identification, only carcass data needed to balance the kill will be added basis the seller averages for the prior two (2) weeks deliveries. Holdovers are lots kept in the stockyards for more than one (1) day. When the percent carcass identification is greater than or equal to 75 percent and less than 100 percent, carcass data is added at the average value of the lot to pay for the appropriate number of head. When the percent carcass identification is more than 100 percent and less than or equal to 105 percent, the extra carcasses are deducted at the average value of the lot to pay for the appropriate number of head.

* Hot carcass weight means the weight of the hogs after the completion of kill floor operations but prior to commencement of chilling operations.

* Inspection, sorting and weighing shall be performed by at the plant where the hogs are delivered. No hogs shall be accepted to fulfill the terms of this agreement if they do not meet the specifications of a hogs.

* Swine are scaled at seller's location.

* Hot carcass weight means the weight of the hog after the completion of kill floor operations but prior to commencement of chilling operations.

* After removal of all carcass trim, in accordance with the carcass trimming procedures set forth on specified exhibit, buyer shall attempt to weigh each carcass included in a lot. The procedures for removal of carcass trim, as set forth on specified exhibit, may be amended by buyer from time to time in accordance with industry standards or to conform to accepted industry practice. All carcass weights so determined shall be final and conclusive as between the parties hereto.

* Plant weights

* The parties expect that hogs delivered by seller will be between 174 and 229 pounds. Any hogs with carcass weights less than 174 pounds or more than 229 pounds will be considered off-weight hogs and will be assessed a weight discount pursuant to specified section. If seller's average carcass weights becomes more than 5 pounds heavier and/or lighter than our average carcass weight on a quarterly basis, then the parties will agree to negotiate in good faith to change the base price and/or loss deductions to compensate us for the off-weight hogs.

* All weights referenced in this agreement shall be taken from government inspected and certified scales.

* For purposes of payment, the weight of the dressed hog shall be the hot carcass weight of the hog.

* Hogs will be purchased on a carcass weight basis.

* Buyer will inspect and weigh carcasses at buyer's plant per the carcass merit program.

* Swine are purchased live off certified scales.

* Hogs shall have a target live weight of 275 pounds per hog. No hog shall have a live weight of less than 200 pounds or more than 340 pounds.

* Average weight requirement shall mean an average monthly weight for all hogs delivered by seller during each calendar month of no less than 205 pounds and no more than 224 pounds, on a carcass weight basis at the designated processing facility.

* Buyer shall cause each load of hogs delivered to be weighed upon arrival at buyer's plant and such weight shall be provided to seller with each load's payment. Seller shall have the right to inspect buyer weight records upon 24-hours' notice.

* CWT shall be defined to be the abbreviation for hundredweight.

* With respect to any lot, in the event buyer's records reflect more than 105 carcass identification, the entire affected lot will be paid based on seller's historical averages of carcass merit factors in the following order of preference: (A) the averages for the prior two (2) weeks' deliveries if data exists on at least 600 head; or if (A) is not applicable, then (B) if data exists, the averages for the prior four (4) weeks deliveries; or if (A) and (B) are not applicable, then (C) the averages for the last lot delivered by seller if seller has not delivered any hogs to

buyer during the last four (4) weeks. With respect to any lot when the percent of carcass identification is less than 75, only the number of carcasses that equal the number of unidentified carcasses will be added at the historical averages in the order of preference as described above. With respect to any lot when the percent of carcass identification is equal to or greater than 75 and less than or equal to 105, carcass data will be added or deducted at the average value of the affected lot to pay for the appropriate number of head.

Quality/Weight - Carcass Evaluation Program or Matrix

* Carcass merit program means a program used by buyer to determine the premium above, or the discount below, the base carcass price or price contained in an agreement (whichever is applicable) that buyer will pay seller for each hogs. The carcass merit program is currently based on the hot carcass weight and the lean percentage of the hogs and is attached hereto as specified schedule; provided, however, that buyer may change the factors used to determine the premium above or discount below the base carcass price, from time to time.

* For purposes of this agreement, the carcass merit adjustment shall be the amount determined pursuant to buyer's carcass merit matrix. Buyer shall give seller thirty (30) days written notice prior to any changes or revisions to buyer's carcass merit matrix. The matrix currently offered by buyer is set forth in specified exhibit attached hereto. The carcass merit adjustment shall be determined in respect of each load of hogs delivered pursuant to this agreement and shall be included in the information in the kill sheets for each such load.

* The carcass merit adjustment shall be the amount determined pursuant to buyer's carcass merit matrix. The carcass merit matrix shall be the prevailing carcass merit matrix offered at buyer's plant at the time of delivery. Buyer may change the matrix from time to time; provided, however, buyer shall give seller 30 days' written notice prior to changing the matrix. The matrix currently offered by buyer is set forth in specified exhibit attached hereto. The carcass merit adjustment shall be determined with respect to each load of hogs delivered pursuant to this agreement and shall be included in the kill sheets for each such load. Seller acknowledges that buyer's current carcass merit matrix is based upon buyer's current definition for a standard carcass, which is a carcass with 50 lean and a carcass weight of approximately 188 lbs., and that such matrix may be changed by buyer from time to time and that changes may reflect, among other factors, changes in buyer's definition of standard carcass. Other factors that could result in changes to the matrix may include, without limitation, changes in buyer's instruments for determining lean percentage or size.

* Seller agrees to raise and supply to buyer top quality, healthy and wholesome hogs. Seller shall have a genetic program capable of producing lean, uniform sorted hogs that consistently meet the quality standards of buyer in existence from time to time. Without limiting the generality of the foregoing, seller represents and warrants to buyer and agrees as follows: (a) all deliveries of hogs shall meet or exceed the specifications for weight, National Pork Board level, and average lean yield set forth on specified schedule attached hereto and incorporated by reference herein. (b) Any lot of hogs with an average lean percentage lower than 50 shall not count toward the minimum quantity of hogs required to be delivered by seller under this agreement. Any such lot of hogs shall have a specified base price rather than under specified schedule of this agreement.

* All hogs delivered by seller under this agreement must be as follows: (1) top quality, healthy and wholesome hogs that pass pre and post mortem inspection; (2) free of foreign objects (e.g., needles); (3) have a carcass weight of at least one hundred sixty (160) pounds and not more than two hundred forty-three (243) pounds; (4) not crippled, lame, sick, ove1filled or otherwise unmerchantable at time of delivery;(5) handled by seller and transporters in such a manner so as to promote best animal care and handling; (6) seller is expected to have a

veterinary-client-patient relationship. Seller must follow the guidelines set forth in FDA's published Compliance Policy Guide 7125.37 (Proper Drug Use and Residue Avoidance by Non-Veterinarians).(i) seller understands buyer and USDA have the option to and expect to conduct random residue testing and any positives found are grounds for termination of this agreement; (ii) in addition to minimum withdrawal requirements set forth by law, buyer requires a minimum l-day withdrawal on any tetracyclines prior to delivery of hogs to the delivery plant; and (7) designated as exclusively having a United States country of origin, as such term is defined in the Agricultural Marketing Act of 1946, as amended, or similar legislation (referred to in this agreement as COOL), and in accordance with any corresponding labeling or tracking requirements that buyer may require by written notice during the term of this agreement.

* In addition to the base price, buyer shall pay to seller or seller shall pay to buyer applicable premiums or discounts (the carcass merit adjustment) determined under specified article as to all hogs delivered under this contract. In addition, if a market hog has a disease which results in additional handling of the carcass and/or decrease value or yield of the carcass, as reasonably determined by buyer, then buyer may deduct buyer's costs associated with the additional handling of the carcasses and/or decreased value or yield of the carcasses. Diseases shall include, but not be limited to the following: pneumonia, peritonitis, jaundice, pericardia, or arthritis. Additional handling of the carcasses and/or decreased value or yield of the carcasses shall include, but not be limited to, the following: trim loss above normal, downtime on the chain or rail, or damage or loss to portions of the carcass (e.g., ribs, belly, loin, etc.).

* Grade and yield adjustment shall mean the premium or discount paid to seller for hogs that exceed (premium) or fall short (discount) of buyer’s published quality standards.

* See Schedule 265

* Subject to the requirements of this subsection, seller shall be eligible for an additional carcass premium of $1.00 per hundred for hogs that were farrowed from sows who gestated in group pens (i.e. loose housing). For purposes of certainty, hogs shall be deemed farrowed from sows that were housed in group pens or loose housing during the gestation period (i.e. 35- 42 days post- breeding when pregnancy is confirmed) and up until the final week prior to farrowing. Swine will need to be delivered in specified delivery windows to allow for segregated production, and buyer agrees that deliveries of such hogs shall be permitted at least three days per week beginning specified date. Seller shall maintain records and documentation sufficient to verify (to buyer’s reasonable satisfaction) that such hogs are eligible for the additional premium, and seller shall provide such records and documentation (as well as related affidavits) to buyer upon its request. Beginning in specified date, seller estimates that approximately specified number of hogs shall be eligible for this additional premium.

* See Schedule 253

* Hogs shall be of acceptable quality.

* The base price shall be subject to premiums and discounts for carcass weight, which premiums and discounts will be determined in accordance with buyer’s carcass merit program in effect at the time of slaughter. A copy of the current carcass merit program are attached hereto as specified exhibits. The content of these exhibits may be changed by buyer at any time and from time to time to reflect developments in the pork industry and governmental price reporting. In the event there is a change in the utilization or definition of the indices set forth above, buyer, upon 30 days prior written notice to seller, will adopt a pricing index that, in its reasonable judgment, most closely approximates the changed indices.

* Buyer currently maintains the specified incentive program described in the carcass buying program. The incentive will be determined based on hogs delivered by seller during the applicable period. Buyer will provide seller written notice of any change in the application of or elimination of the incentive program.

* Market Hogs shall be of acceptable size, weight, and type as determined by buyer. Hogs determined by buyer to be of unacceptable size or to have unacceptable quality may, in buyer's discretion, be refused by buyer, purchased at a reduced price, or sorted and transported to another market at seller's sole cost and expense.
* See Schedule 254

* The four carcass quality traits evaluated and contributing to the seller's score are marbling, objective lean color, loin eye are, and 10th rib backfat.

* Swine must be of good quality and weigh a minimum of 400 pound. Buyer will not slaughter off quality animals (Abscess, wet, thin, etc.)

* All hogs sold to buyer hereunder are of acceptable quality. As used herein, acceptable quality shall mean that the hogs satisfy the then current standards of buyer for acceptable deliveries of hogs, as modified by buyer from time to time, as well as the standards set forth in this agreement and any other standards established under applicable law.

* Matrix factor means the applicable number for a given lean percent and carcass weight, as set forth in the carcass merit matrix.

* Seller covenants and agrees that the hogs will be produced in accordance with the covenants and standards of this section. In the event that seller contracts with a third party to produce seller's hogs hereunder (each, a provider), seller shall cause each such provider to comply with the covenants and standards of this section. Seller covenants and agrees that buyer will not be liable for any cost or liability related to compliance with this section, and that seller and each provider, as applicable, will comply with the following standards.

* See Schedule 229

* Upon delivery, buyer shall be entitled to impose the discounts identified in specified exhibit. Any loads that have an average weight outside of the ranges detailed in specified exhibit, or individual hogs weighing outside of the range detailed in specified exhibit shall not count towards the quantity requirements under this agreement, and the price to be paid by buyer to seller for such non-conforming hogs shall be the lower of (i) the discounted agreement price, or (ii) the cash price, as offered by buyer at the plant of delivery on the day of delivery, subject to any applicable discounts under the then current discount program of buyer’s plant.

* Hogs will meet all other quality characteristics defined in the agreement. Specified schedule may be reasonably amended by from time to time.

* All hogs, to be considered deliverable pursuant to this agreement, must meet existing weight specifications for all hogs purchased by plants at time of delivery. Any load of hogs or any hog sorted out at the time of delivery will be priced according to existing weight or quality discount schedule.

* See Schedule 257

* Hogs will initially be valued using buyer's weight and grade payment program and the normal buyer base price in effect on the day of delivery.

* A minimum of 20 head of wholesome sows will be required to qualify for the yield program and will be weighed at the slaughter facility.

* See Schedule 146

* See Schedule 266

* Lean value matrix shall mean any factor or combination of factors (including sort loss) that affects the carcass value as determined by buyer, as set forth in the specified Exhibit attached hereto.

* Meat value factor shall mean any factor or combination of factors that affects the carcass value as determined by buyer and uniformly applied to all sellers and/or their affiliates, as applicable, as set forth in the table in specified exhibit.

* It is mutually understood between buyer and seller that seller will produce hogs with carcasses that will equal or exceed the average of all carcasses from hogs delivered to buyer based on the existing carcass evaluation system at the time of delivery. seller will use appropriate genetics to produce hogs that seller anticipates on average will have a meat quality (which includes, without limitation, firmness, water holding capacity, marbling as determined by tests such as pH and Minolta readings) that equals or exceeds the meat quality of all other hogs delivered to buyer for slaughter. Specifically, seller agrees (and buyer approves the following genetics to be used by seller) to produce hogs under this agreement: (i) all the female genetics used to produce hogs shall be Landrace, Large White/York cross and (ii) the genetics of terminal sires used to produce hogs shall be Duroc. Any changes to genetic lines used by seller to produce hogs shall require written pre-approval from authorized personnel.

* For purposes of this agreement, (i) the carcass merit adjustment matrix shall be applied with respect to hogs delivered to one of the buyer's locations that is not a designated plant, and (ii) the lean value matrix shall be applied with respect to hogs delivered to one of the designated plants. Each matrix shall be determined in respect of each load of hogs delivered pursuant to this agreement and shall be included in the information in the kill sheets for each such load. Buyer shall have the right to implement changes or revisions to any of buyer's adjustment matrices upon ninety (90) days written advance notice to seller. For one hundred twenty (120) days following the date any such change or revision to any of buyer's adjustment matrices is first implemented, seller shall have the right to give a termination notice pursuant to specified paragraph above, which termination notice may be given at any time of day period and without regard to the limitation on a termination notice being given priority.

* Buyer may request the seller meet the requirements for specified program including delivery with expected documentation at the scheduled time. Additional premium for these pigs will be specified $/cwt carcass weight.

* Buyer will make available to seller the documentation of the carcass merit program sheets on the first working day following the slaughter of the hogs.

* Seller shall use its best efforts to deliver hogs that produce above average carcasses and primal cuts consistent with buyer's quality specifications. Seller's performance in meeting buyer's pH and iodine value specifications

shall be compared to the performance of sellers who (A) are not controlled by or affiliated with buyer and (b) do not receive any incentive or special payment based on the pH and/or Iodine values. Buyer shall provide seller with reasonably acceptable verification of the performance of such other sellers in meeting buyer's quality specifications, including the buyer's pH and iodine value specifications, and the comparability of the other sellers whose data is used in the comparison. Each hog carcass from seller's hogs must (i) pass the USDA post-mortem inspection, and (ii) be free of any conditions (e.g. excessive insect bites, damage or loss of portions of the carcass) that result in above normal trim loss, additional handling of the carcass or decreased value of the carcass.

* Market hogs will be purchased and paid for hereunder in accordance with buyer’s carcass merit program, as the same may be revised from time to time by buyer in its discretion. The price to be paid by buyer to seller for hogs delivered to the buyer's facility will be established by buyer pursuant to the program, and shall be determined according to the buyer matrix program description attached hereto as specified schedule. The price for each delivery of hogs to the buyer's facility shall be paid by buyer by the next business day after the date of slaughter or as per GIPSA requirements. Payment of the price shall be deemed made on the date of mailing of payment as determined by the postmark on such mailing or by the date of ACH transfer. Buyer shall have the right to offset the price by any amounts owed to buyer by seller, regardless of whether such amounts owed are in connection with this agreement. In the event of any dispute between buyer and seller as to the amount due for any hogs delivered hereunder, payment to seller for the lot of hogs so affected shall not be due until such dispute is resolved.

* Seller may obtain a copy of buyer’s carcass merit program by contacting their buyer representative, or by logging into a specified URL. Buyer can change the carcass merit program in its sole discretion and if buyer does so, it will provide buyer written notice of said change in the carcass merit program no fewer than thirty (30) days in advance of the effective date of the change.

* All antibiotic free hogs and hogs sold to buyer hereunder are of acceptable quality as used herein, Acceptable quality shall mean that the antibiotic free hogs and hogs satisfy the then-current standards of buyer for acceptable deliveries of antibiotic free hogs and hogs, as modified by buyer from time to time including, without limitation, the following: antibiotic free hogs and hogs shall be of an acceptable lean percent as determined pursuant to buyer’s carcass grading system. An acceptable lean percent is presently defined as one greater than forty-four percent (44) on average over a consecutive sixty (60) day time period, subject to modification by buyer from time to time; antibiotic free hogs and hogs shall not exhibit any signs of lameness, respiratory disease, skin conditions, unhealed wounds, rectal prolapse, mange, or any other disease or condition which causes the hog to be unsuitable for processing or which raises questions regarding humane handling and treatment; and antibiotic free hogs and hogs shall be of acceptable size, weight and type as determined by buyer. Antibiotic free hogs determined by buyer to be of unacceptable size or type may be refused by buyer, purchased at a reduced price, or sorted and transported to another market at seller’s sole cost and expense.

* Freight to be paid by buyer; all animals must be able to walk for the USDA to allow them to be processed. Buyer will not pay for dead pigs (Dead on arrival DOA), condemns, lame, or blemished hogs. The price will follow the Iowa -Minnesota Market live weight basis. The price will be based on the closing hogs market closest to the day of shipment. Payment will normally be within 7 to 9 days from the delivery date, but not to exceed 14 days.; A payment agreement waiver must be signed to satisfy the Packers and Stockyard Act.

* The carcass merit adjustment shall be the amount determined pursuant to buyer's carcass merit matrix. The carcass merit matrix shall be the prevailing carcass merit matrix offered at buyer's plant at the time of delivery. Buyer reserves the right to modify its carcass merit program at any time during the term to respond to changes in industry standards, product marketability, and advances in evaluation procedures.

* See Schedule 256

* All hogs shall be delivered ready for immediate slaughter to produce carcass that will pass USDA inspection and is fit for human consumption. Any issues that result in product being unfit for human consumption may result in the suspension of this agreement until issue is resolved.

* Meat Value Factor shall mean any factor or combination of factors (including sort loss) that affects the carcass value as determined by buyer, as set forth in the specified table.

* See Schedule 65

* See Schedule 226

* Carcass merit program may or may not be applicable.

* All hogs shall meet the specifications referred to or set forth in specified section, including, but not limited to, the specifications set forth on specified exhibit.

* The carcass merit adjustment shall be the amount determined pursuant to buyer's carcass merit matrix attached hereto as specified exhibit. The carcass merit matrix shall not be changed by buyer prior to a specified date. Thereafter, buyer shall give seller specified days written notice prior to any changes or revision to the carcass merit matrix. The carcass merit adjustment shall be determined in respect of each load of hogs delivered pursuant to this agreement and shall be included in the information in the Kill Sheets (as defined below), for each such load. The parties acknowledge that current definition for a standard carcass, is a carcass with 54 lean and a carcass weight of 214 pounds. Factors that may result in changes to the matrix may include, without limitation, changes in buyer's methods for determining lean percentage or size. At present, size is determined by weight in pounds, and lean percentage is measured using a Fat-0-Meat'er. Buyer agrees that no changes shall be made in such criteria unless the substitute criteria is reasonably determined by buyer to be more accurate. Buyer shall give seller specified days prior written notice of the change. Carcass weight shall mean the net weight of the hog’s carcass after passing USDA inspection and prior to chilling. Copies of the processing or slaughter reports prepared by buyer (kill sheets) for the hogs delivered under this agreement will be mailed to seller within two (2) days of the hogs slaughter by buyer and shall be prepared in accordance with buyer's normal practices consistently applied and shall contain information showing the calculation of the agreement price for such hogs. All weights will be taken from government inspected and certified scales. Buyer shall provide seller with daily electronic data including individual carcass weights and standard slaughter measurements.

* Seller agrees to abide by the carcass merit program. Seller may obtain a copy of buyer's carcass merit program by contacting their buyer representative, or by logging into a specified URL. Buyer can change the carcass merit program in its sole discretion and if buyer does so, it will provide seller with written notice of said change in the carcass merit program [no fewer than specified days in advance of the effective date of the change, which notice seller must immediately forward to each affiliated seller.]

* Carcass damage in excess of normal range experienced by buyer will be discounted proportionately.

* For purposes of the agreement, except as provided in this specified section, the carcass merit adjustment shall be the amount determined pursuant to buyer's standard slaughter facility carcass merit matrix in effect at the time of delivery of any hogs by seller. The carcass merit matrix shall be the prevailing carcass merit matrix offered at buyer's plant at the time of delivery. Buyer may modify the matrix from time to time, but shall give seller 30 days prior written notice of any such modification. The current matrix is attached hereto as specified exhibit. The carcass merit adjustment shall be determined in respect of each hogs delivered pursuant to this agreement and shall be included in the information in the kill sheet, for each load of hogs delivered by seller to buyer. The parties acknowledge that the current matrix is based on buyer's current definition for a standard carcass, which is a carcass that is 51 to 53 lean and a carcass weight of approximately 203 pounds, and that the matrix may be modified by buyer from time to time to reflect, among other factors, changes in buyer's definition of a standard carcass. Notwithstanding the foregoing, all hogs delivered under the terms of previous agreement prior to a specified date shall be subject to the specified date carcass merit adjustment matrix that is currently applicable to previous agreement. Other factors that could result in changes to the matrix may include, without limitation, changes in buyer's instruments for determining lean percentage or size. At present, size is determined by weight in pounds, and lean percentage is measured using a Fat-O-Meat'er. Buyer agrees that no change shall be made in such instruments unless the substitute instrument is at least as accurate. For the purposes of this agreement, carcass weight shall mean the net weight of the hog’s carcass after passing USDA inspection and prior to chilling.

* All hogs will be healthy, thrifty, and high quality hogs.

* See Schedule 228

* All deliveries of hogs shall meet or exceed the specifications for weight, National Pork Board level, and average lean yield set forth on specified schedule attached hereto and incorporated by reference herein.

* All hogs musts be U.S. born and raised, Class A hogs and delivered to buyer ready for immediate slaughter to produce a carcass that will pass U.S. Department of Agriculture inspections and is fit for human consumption.

* Each hog supplied by seller to buyer shall be certified to be 100 percent Berkshire and shall be healthy, wholesome and merchantable and shall satisfy buyer's quality and weight requirements.

* The base price as determined in the preceding paragraph shall be adjusted pursuant to buyer's specified program then in effect to determine the final price. A copy of the current matrix for this program is attached as specified exhibit. This matrix may not be changed without the consent of both buyer and seller.

* Seller will use its good faith efforts to produce hogs with carcasses that will equal or exceed the average of all carcasses from market hogs delivered to buyer based on the existing carcass evaluation system at the time of delivery. Seller will use its good faith efforts to employ genetics to produce hogs that on average will have a meat quality (which includes, without limitation, firmness, water holding capacity and marbling as determined by tests such as pH and Minolta readings) that equals or exceeds the average meat quality of all other hogs delivered to buyer for slaughter from sellers with similar productions systems. Seller agrees to use for hog production a nutritional program that will produce carcasses that equal or exceed the carcass characteristics described in this section.

* Seller will produce hogs with carcasses that will equal or exceed the average of all carcasses from market hogs delivered to buyer based on the existing carcass evaluation system at the time of delivery. Seller will use genetics to produce hogs that on average will have a meat quality (which includes, without limitation, firmness, water holding capacity and marbling as determined by tests such as pH and Minolta readings) that equals or exceeds the average meat quality of all other hogs delivered to buyer for slaughter. Seller agrees to use for hog production a nutritional program that will produce carcasses that equal or exceed the carcass characteristics described in this section.

* Buyer's grade or lean percentage differentials in effect on the day of slaughter will be applied.

* Not weigh less than 190 pound at specified location; Not weigh more than 250 pounds at specified location; Not have any signs of obvious disease; Be healthy and fully mobile; Boars will be deducted at a charge of $20.00 per had; Condemned or trimmed pigs for reason of the farm origin or transportation are the responsibility of the seller and not the buyer; Seller certifies that all livestock sold, or provided to the buyer meet all USDA, EPA and/or FDA requirements regarding absence of harmful residues. The seller further certifies that only FDA approved antibiotics and/or drugs will be used and that all applicable withdrawal times will be met prior to shipment of livestock; the seller will pay all freight costs; Hogs will be purchased off the weight derived from the buyer's scales.

* Comply with buyer's minimum meat quality standards in effect at time of delivery. Such standards shall require seller's consent if they are stricter than industry standard and negatively impact seller's profitability.

* Buyer shall require each seller to participate in the buyer carcass merit pricing system program. The buyer standard carcass merit pricing system program offers participants standard adjustments to the market price that other direct selling participants receive for muscle, back fat, and other measures of carcass quality that buyer utilizes to ensure a quality end product to its consumers. These adjustments shall be applied to all hogs sold by participants to buyer. Buyer reserves the right to modify any of the terms of the buyer standard carcass merit pricing system program provided buyer has notified participants and facilitator within thirty (30) days of the modification. A description of the buyer standard carcass merit pricing system program together with the terms and conditions of said program are detailed in specified exhibit a copy of which is attached to this agreement.

* Sellers will receive a premium based on carcass quality scores determined by sampling a representative number of carcasses for each seller. Carcass data will be evaluated quarterly and averaged biannually. The premium will be adjusted biannually. Sellers that do not receive a carcass data score over 80 are not eligible for the quality premium. If a seller receives two consecutive quality evaluations with scores below 50, they may be eliminated from the program within 90 days. The four carcass quality traits evaluated and contributing to the seller's score are marbling, objective Jean color, loin eye are, and l 0th rib backfat.

* For purposes of this agreement, the carcass merit adjustment shall be the amount determined pursuant to buyer's carcass merit matrix. The carcass merit matrix shall be the prevailing carcass merit matrix offered at buyer's plant at the time of delivery, changing as and when buyer changes such matrix. Buyer shall give seller 30 days written notice prior to any changes or revision to buyer's carcass merit matrix. The matrix currently offered by buyer is set forth in specified exhibit attached hereto. The carcass merit adjustment shall be determined in respect of each load of hogs delivered pursuant to this agreement and shall be included in the information in the kill sheets (as defined below), for each such load. The parties acknowledge that buyer's current carcass merit matrix is based upon buyer's current definition for a standard carcass, which is a carcass with 50/52 lean, carcass weight of approximately 188 pounds, and that such matrix may be changed by buyer

from time to time and that such changes may reflect, among other factors, changes in buyer's definition of a standard carcass. Other factors that could result in changes to the matrix may include, without limitation, changes in buyer's instruments for determining lean percentage or size. At present, size is determined by weight in pounds, and lean percentage is measured using a Fat-0-Meat'er. Buyer agrees that no changes shall be made in such instruments unless the substitute instrument is considered by buyer to be more accurate. Carcass weight for the purposes of this agreement shall mean the net weight of the hog's carcass after passing USDA inspection and prior to chilling. Copies of the processing or slaughter reports prepared by buyer (kill sheets) for the hogs delivered under this agreement will be mailed to Seller within two (2) days of the hogs slaughter by buyer and shall contain information to show the calculation of the price for such hogs. All weights referenced herein are to be taken from government inspected and certified scales.

* The base price shall be subject to premiums and discounts for average load weight, which premiums and discounts will be determined in accordance with buyer's carcass merit program in effect at the time of slaughter. The content of these exhibits may be changed by buyer at any time and from time to time to reflect developments in the pork industry and governmental price reporting. In the event there is a change in the utilization or definition of the USDA or specified indices set forth above, buyer, upon 30 days prior written notice to seller, will adopt a pricing index that, in its reasonable judgment, most closely approximates the changed indices.

* Carcass merit adjustments are those standard adjustment to the formula base that other direct selling sellers receive for sort, lean back fat, weight, and other such measures as buyer from time to time may utilize. These adjustments shall be applied to seller's hogs. Furthermore, seller shall receive a report on each lot of hogs showing a summary of all adjustments in addition to the adjustments for each individual hogs sold. This information shall be transmitted electronically to seller within two business days. Any changes to the carcass merit adjustment will be communicated 30 days prior to implementation.

* All hogs marketed b seller to buyer shall be subject to the buyer carcass merit program for lean evaluation and carcass weight discounts. Any carcass merit change will be communicated (30) days prior to execution. Seller will have thirty (30) days to accept the change after notification. If seller agrees to carcass merit change that will be considered notice of termination and the original carcass merit program as described in the agreement shall stay in effect until the contract terminates.

* All hogs sold by seller to buyer shall be subject to buyer's standard carcass weight discount program. Buyer reserves the right to modify any of the terms of the buyer standard carcass weight discount program provided buyer has notified seller within thirty days of the modification. A description of the buyer standard carcass weight discount program together with the terms and conditions of said program are detailed in specified exhibit a as copy of which is attached hereto.

* Seller understands that buyer will only purchase hogs from sellers who comply with buyer carcass merit program. Seller may obtain a copy of buyer carcass merit program by contacting their buyer representative, or by logging into a specified URL. Buyer can change the carcass merit program in its sole discretion and if buyer does so, it will provide seller with specified day's prior written notice of any change in the carcass merit program.

* The parties agree that the table contained in the carcass merit program is superseded with the table attached as specified exhibit to this agreement, which table will be fixed for the duration of the initial term and any renewal term unless changed pursuant to mutual written agreement of the parties.

* The carcasses from the hogs must pass USDA post-mortem inspection.

* Hogs shall be live and must pass USDA ante mortem inspections and be disease free. Hogs must be within USDA limits on all residues (e.g., sulfa, tetracyclines, penicillin, etc.) and be certified by the National Pork Board and the Pork Quality Assurance Plus program.

* Seller shall produce hogs in accordance with the following standards 1. Maintain at least the highest quality assurance level in affect at any given Ume as set by the National Pork sellers Council (currently Level Ill). 2. Maintain all drug withdrawals at levels that allow buyer to sell pork products in all export markets in which it is currently doing, or may begin to do, business in. Seller agrees to withdraw all oral tetracycline products a minimum of two (2) weeks prior to slaughter. 3. Handle the hogs in such a way as to minimize the damage to muscle tissue through bruising, improper injections, or other Invasive procedures. 4. Sell hogs that have a minimum average lean percentage of 49 as measured by the Fat-0-Meter or other device which buyer may subsequently use to measure the lean percentage for use in the carcass merit program.

Quality/Weight - Changes in Evaluation, Target Weight or Grades

* Buyer shall have the right, from time-to-time, to change (a) carcass evaluation methods or the carcass merit program, and (b) the methods used to measure lean percentage in the current carcass merit program or any measurement devices in any future carcass merit programs. The changes described in this action shall require seller's approval, which shall not be unreasonably withheld if seller's profitability is unaffected.

* In the event that buyer modifies the required weights, buyer shall give seller thirty (30) days written notice prior to any such modifications.

* Buyer may modify or change the standard carcass merit program (lean value or carcass weight discount) for which seller shall be required to participate. Buyer shall give seller a 30 day notice of such changes to take place.

* All hogs marketed by seller to buyer shall be subject to the buyer's carcass merit program for lean evaluation and carcass weight discounts. Any carcass merit change will be communicated (30) days prior to execution. Seller will have thirty (30) days to accept the change after notification. If seller agrees to carcass merit change that will be considered notice of termination and the original carcass merit program as described in the agreement shall stay in effect until the contract terminates.

* The buyer premium supplier program may be updated or amended by buyer at any time; Buyer will give seller a 90-day notice before any changes become effective.

* Buyer shall give seller thirty (30) days written notice prior to any changes or revisions to buyer's carcass merit program.

* Notwithstanding the foregoing, buyer agrees that on or before specified date it shall deliver to seller written notice of change to and shall implement such change with respect to the carcass merit program which change is, in the sole opinion of seller, acceptable to seller. In the event such change is unacceptable to seller, seller shall so notify buyer in writing; and in addition to the rights of seller pursuant to specified sections, Seller shall be entitled to renegotiate and neither party shall be bound by the terms and conditions as set forth in this

amendment.

* Notwithstanding anything else in this agreement to the contrary, the parties agree that buyer may amend the carcass merit program upon six (6) months' notice to seller.

* Buyer reserves the right to modify its carcass merit program at any time, during the term to respond to changes in industry standards, product marketability, and advances in evaluation procedures.

* As more particularly described in attached schedule, the program may be changed by buyer from time-to-time upon thirty (30) days prior written notice. The price to be paid by buyer to seller for each hog delivered to the plant shall be as established by buyer under the program and determined in this paragraph.

* Buyer shall have the right to change the carcass merit program at any time during this agreement. If such change is made, buyer shall, as soon as practicable after the announcement of such change, set a meeting with seller to discuss the affect, if any, said change may have on seller. If the parties cannot adequately analyze the potential affect of the change on seller prior to implementation of the change, buyer and seller shall conduct a review of seller's carcass and payment data within eight (8) weeks after the change takes effect. If warranted by the data and agreed by both parties, an adjustment may be made to this agreement so that it reflects the original intent of the agreement. This adjustment shall be subject to specified section regarding amendments. If the parties cannot agree, the agreement shall continue as originally written. Any amendment made subject to this paragraph must be done within 16 weeks of the implementation of the new carcass merit program.

* Buyer shall have the right to change carcass evaluation methods as long as said change is consistent with industry recognized and documented technological or procedural improvements. However, the agreed to carcass merit program shall not be changed without seller's approval, which shall not be unreasonably withheld if seller's profitability remains unchanged.

* These weights (i.e., live weight per hog, average live weight per load and minimum and maximum live weight per hog may be revised by buyer from time to time. In the event that buyer modifies the target weights, buyer shall give seller thirty (30) days written notice prior to any such modifications.

* Buyer shall have the right, from time-to-time, to change (a) carcass evaluation methods or the carcass merit program, and (b) the methods used to measure lean percentage in the current carcass merit program or any measurement devices in any future carcass merit programs. Within thirty (30) days of the announcement of any such change, buyer shall set a meeting with seller to discuss the affect, if any, said change may have on seller. If the parties cannot adequately analyze the potential affect of the change on seller prior to Implementation of the change, buyer and seller shall conduct a review of seller's carcass and payment data within sixty (60) days after the change takes effect If buyer and seller agree before implementation that the change will adversely affect seller, or, if analysis after implementation shows that the change has adversely affected seller payment, buyer and seller will either: a. Amend this agreement to implement a mutually agreeable remedy to adjust the final price paid to seller for hogs so that said final price is substantially similar to the amount which seller would have received under the carcass merit program prior to such changes; or b. Mutually agree to terminate the agreement, notwithstanding the termination language set forth in specified section. If the option of termination is chosen, the agreement shall expire eight (8) weeks after such decision is reached and seller shall be paid on the new carcass merit program. Notwithstanding any other provision of this section, once said change has been in effect for one-hundred twenty (120) days, if no action has been taken pursuant to this Section, seller shall be deemed to have accepted the change and the agreement shall continue for the term as stated in specified section.

* Seller understands and acknowledges that, in light of the term of this agreement, industry standards for top quality, healthy and wholesome hogs may change over time and that buyer reserves the right upon reasonable written notice to seller to modify or supplement the specifications set forth on specified schedule and the other standards of quality described herein and/or to establish additional standards of quality consistent with evolving industry standards for quality.

* Buyer may from time to time propose to seller certain carcass value pricing factors (a carcass merit program). The carcass merit program contained in such proposal shall become effective on the proposed effective date set forth in the proposal (which shall be at least fourteen (14) business days after the proposal is delivered to seller) unless prior to such effective date seller shall return to packer the proposal marked declined by seller. Once effective, a carcass merit program shall remain effective until ninety (90) days after either packer or seller gives notice to the other that such carcass merit program shall no longer be effective. The method of calculation of a carcass merit premium or discount shall be specified in any carcass merit premium. At any time that a carcass merit programs in effect, the weight discount specified above, and the cripple discount and condemnation credit specified below, respectively, shall not be applicable to the calculation of the purchase price of hogs.

* Buyer reserves the right upon reasonable notice to seller to modify its then existing buyer carcass value from time to time, so long as such change is applied to each seller who sells its hogs to buyer under the terms and provisions comparable to those set forth in specified section.

* To be effective, any changes to the carcass merit program shall be posted at least 90 days in advance of such change. Seller acknowledges that buyer has a high degree of sensitivity to the cost value relationship of carcass grade premiums/discounts as well as weight discounts to overall carcass values; and seller also acknowledges that occasional changes to carcass grade premium/discount and weight discounts is a usual and customary practice in the pork industry. Therefore, buyer agrees to be reasonable in proposing, and seller agrees to be reasonable in accepting changes. If within 30 days of announced changes seller and are not able to agree to the proposed changes to carcass premium/discounts, and should this result in the sellers desire to exit the agreement prior to the terms of specified section; the parties will agree to a 24 month termination, with the first 12 months using the existing premium/discount schedule and the following 12 months at the new proposed premium/discounts schedule.

* Buyer agrees that seller shall receive 30 days' written notice prior to any changes in the carcass merit program, to include but not be limited to change in instruments used for determining lean percentage or size. If seller is in disagreement with respect to any such changes, then the matter shall be subject to the provisions of specified section hereof (after the parties have undertaken dispute resolution pursuant to specified article.

* The carcass merit program may be amended from time to time by buyer in its sole discretion; Buyer will provide seller written notice of any such amendment not less than six (6) months prior to the amendment taking effect.

* Buyer can change the carcass buying program in its sole discretion and if buyer does so, it will provide seller written notice of said change in the carcass buying program. (1) The carcass buying program in effect at the time this agreement is signed is attached as specified exhibit. Buyer's carcass buying program is subject to change by buyer in its discretion from time to time. However, any change makes to its carcass buying program premiums and discounts will not reduce the average carcass buying program premium/discount for all buyer's contracted hogs to less than the average of the prior specified months, calculated at the time the change is made. Any proposed change to buyer's carcass buying program premiums and discounts will be evaluated by buyer by

calculating the average carcass buying program premium/discount under such change based on all contracted hogs purchased by buyer in the prior specified months. All such calculations will be conclusive absent manifest error. Buyer will provide seller a copy of all such calculations and data supporting the calculations at seller's request. Buyer will provide seller written notice of any change in its carcass buying program. (2). Buyer currently maintains the quarterly incentive program described in specified exhibit. The quarterly incentive will be determined based on hogs delivered by seller during the applicable period. Buyer will provide seller written notice of any change in the application of or elimination of the quarterly incentive program.
* If buyer changes or revises the standard carcass weight, defined above, within the first five agreement years, then buyer shall adjust the market price for the hogs supplied under this agreement. The adjustment shall be $.13 per carcass hundredweight for each pound change in the standard carcass weight. A decrease in standard weight will increase the market price and an increase in standard weight will decrease the market price. For example, if the standard carcass weight is decreased to 210 pounds, the market price will be increased $.52/cwt. (4 * $.13 = $.52). If the standard carcass weight is increased to 220 pounds, the market price will be decreased $.78/cwt. (6 * $.13 = $.78).

* If buyer changes or revises the carcass merit buying matrix currently offered by buyer (a copy of which is attached as specified exhibit) within the first five agreement years, then buyer shall adjust the price for the hogs supplied under this agreement. The adjustment shall be in an amount such that the price for the hogs, based on the changed or revised carcass merit buying matrix, is economically equivalent to the price for the hogs that is based on such matrix in effect on the date of this agreement. Any such adjustment shall be determined with respect to each load of hogs delivered pursuant to this agreement.

* Buyer's iodine value which is a specification that seller must meet with respect to the hogs, may be changed per the terms of specified section.

Quality/Weight - Drug Usage or Withdrawal

* Sellers must follow the medication withdrawal times for U.S. Pork intended for international markets found at http://www.pork.org/Resources/214/MaximumResidueLimits.aspx and any subsequent changes.

* Antibiotic Withdrawal Program shall mean and refer to the requirements set forth on specified exhibit.

* Medication: All medications and records must be tracked and administered in compliance with National Pork Board's PQA Plus program which can be found at http://www.pork.org/certification/default.aspx; All medications must be administered under the direction of a Veterinarian client-Patient Relationship; Medications must be stored correctly and never kept beyond their expiration date; Herd health must be managed through an emphasis on individual pig care", avoiding mass medications when reasonable. Focus on preventative methods such as vaccination and biosecurity are recommended; Medications may only be used in a therapeutic dosage, and therefore may not be used at growth promotant levels unless explicitly prescribed by a veterinarian; No tetracyclines may be used within 14 days of hogs being sent to market in order to comply with Russian export guidelines; All medication withdrawals must be compliant with International export standards as detailed at http://www.pork.org/Resources/214/MaximumResidueLimits.aspx. If there is an incident where one of these withdrawals may have been violated, the supplier must notify the hog procurement manager immediately and the hogs may not be marketed to buyer until the appropriate withdrawal period has been met.

* Do all necessary vaccinations for sows and piglets.

* At buyer's option, buyer may notify seller at least forty-two (42) days in advance that ractopamine (Paylean®) must not be included in the feed used in the production of seller's market hogs. This restriction on the use of ractopamine shall continue indefinitely unless buyer, at buyer's option, notifies seller that seller may include ractopamine in the feed used in the production of seller's market hogs. After the restriction on the use of ractopamine has been removed by buyer, buyer shall have the option to reinstate the restriction on the use of ractopamine by notifying seller at least forty-two (42) days in advance that ractopamine must not be included in the feed used in the production of seller's market hogs. During any period of time when buyer has restricted seller from including ractopamine in the feed used in the production of seller's market hogs, seller shall comply with any commercially reasonable requests by buyer to document, verify, or certify that seller's market hogs are free from any ractopamine residues.

* See schedule 243

* Seller shall give thirty (30) days written notice prior to any use by seller of Beta Agonist, PST, Ractopamine, or any other similar substance in producing the hogs, and seller shall discontinue the use of such substances if they adversely affect, as determined by buyer, buyer's processing of the hogs or marketing of the pork products from the hogs. Notwithstanding the foregoing, seller shall not be required to discontinue the use of such substances unless the buyer imposes the same requirement on all hogs delivered to the same slaughter facility.

* Seller agrees to deliver hogs without the use (and free of any trace or residue) of Ractopamine, without additional financial incentive, following a 6 month written request from hogs shall be delivered at times specified by to allow for segregated production.

* See Schedule 255; the minimum withdrawal times in specified table shall be followed. This list is inclusive for approved drugs. If the seller wishes to use a drug not on this list, it must be approved prior to use.

* Seller will, at all times during the term (i) be supervised by a licensed veterinarian, (ii) properly use any applicable animal health products (including, without limitation, drugs and feed additives), and (iii) for any such animal health products administered to hogs, adhere to all legally required withdrawal procedures, Japanese MRL's and such other withdrawal procedures as communicated and mutually agreed upon by seller and buyer. Seller must be on the Pork Quality Assurance Program and must be at Level PQA Plus of the Pork Quality Assurance Program. If the National Pork Producer Council, or its successors, creates a level higher than PQA Plus, seller will attain such higher level within a reasonable period of time.

* Buyer is committed to providing our customers with safe wholesome products as part of our continuing food safety program and complying with the United States Department of Agriculture's Hazard Analysis Critical Control Point (HACCP) plan effective January 26, 1998. Swine is considered a food subject to the requirements of the Federal Food, Drug and Cosmetic Act (FDIC) and as such must comply with the Food and Drug Administration's maximum residue levels for antibiotic drugs.

* Seller shall produce hogs in facilities owned or managed by seller in accordance with buyer's Never Fed Beta Agonists Verification Program, which includes feed mill and on-farm audits as well as validation through tissue testing for beta agonist byproducts. Buyer reserves the right to revise and modify these standards at any time and from time to time and shall give seller 90 days to comply with any revised or new standards. If the seller, after using commercially reasonable efforts to comply, cannot comply within such 90 days, seller shall have such additional time as may reasonably be necessary to comply so long as seller continues to use commercially reasonable efforts. Seller shall notify buyer of any problems or conditions that may affect seller's ability to

continue to comply with these standards. Upon reasonable written notice, buyer may require the seller to participate in programs with additional farm standards, such as those specific to certain export market requirements if cost impact is mutually agreed upon.

* All animals delivered to buyer must be ractopamine-free.

* In the event that medicated feed requiring a pre-slaughter withdrawal has been placed in the bins of a finishing building, seller shall implement clean bin verification.

* Maintain all drug withdrawals at levels that allow buyer to sell pork products in all export markets in which It Is currently doing, or may begin to do, business. Seller agrees to withdraw all oral tetracycline products a minimum of two (2) weeks prior to delivery to a location.

* See Schedule 241

* See Schedule 240

* Buyer acknowledges that seller may currently use feed additives or substances such as Beta Agonists (e.g. -Ractopamine) that are generally accepted in the industry. Seller shall discontinue the use of such substances, or any other similar substances, if they adversely affect, as determined by buyer in buyer's sole discretion, buyer's processing of the hogs or marketing of the pork products from the hogs. [Except that, if buyer continues to process market hogs fed Beta Agonists at any of its plants, seller shall have the option, instead of discontinuing the use of Beta Agonists, to deliver the hogs to buyer's plant nearest to specified location that is then processing any market hogs fed Beta Agonists provided that seller shall be solely liable for any increased or additional shipping or processing costs and expenses related to delivering the hogs to buyer's other plant than originally planned.]

* Seller shall be supervised by a licensed veterinarian and shall properly administer all applicable drugs and follow all appropriate withdrawal procedures applicable thereto.

* Seller agrees on a routine basis to identify any past, current, or planned use of drugs, additives, growth stimulants, or other similar feed components which are used. Buyer may request seller to change any feed component for premium slaughter hogs which may cause customer resistance. Buyer may require seller to change any feed component for premium slaughter animals which may cause failure of approval by the USDA, FDA, or other governmental agency.

* Seller certifies that seller has not used any of the prohibited drugs listed in agreement.

* All hogs must be delivered to buyer ready for immediate slaughter to produce a carcass that will pass U.S. Department of Agriculture inspection and is fit for human consumption. Hogs must be within USDA limits on all residues. Hogs must be live and must pass USDA Ante Mortem Inspections and be disease free. Hogs shall not have had and/have any diseases which would result in additional handling of the carcasses and /or decrease the value or yield of the carcass.

* Seller certifies that: (a) seller has complied with all laws and regulations governing the use of drugs, medications, feed additives and other animal health products in hogs intended for human consumption, including the requirements of AMDUCA: (b) only medications, feed additives, and other animal health products

approved by the FDA and only vaccines approved by the USDA, unless prescribed by a veterinarian and approved by packer, have been used to produce seller's hogs; and (c) seller has complied with the requirement to advise buyer of any regulated, controlled or restricted substances fed or administered to seller's hogs.
* Seller certifies that: (a) all feed medications have been fed in accordance with the PQA Plus requirements; (b) seller has fully complied with the antibiotic withdrawal program by satisfying the minimum withdrawal times as specified in the agreement; and (c) seller has fully complied with verification protocol as described in the agreement. Notwithstanding the above or anything in an existing hogs purchase agreement with seller should buyer notify seller to cease the use of beta agonists (Ractopamine), seller certifies that hogs delivered to buyer's facility after 6 weeks from notice to cease the use of beta agonist shall not have any trace of beta agonist residues.

* By complying with the minimum withdrawal times in the antibiotic withdrawal program, seller certifies that seller has exceeded the specified withdrawal period of 14 days for tetracycline group antibiotics (including chlortetracycline, tetracycline, and oxytetracycline) to be an approved supplier of pork to the Russian Federation under the USDA Export Verification Program.

* See Schedule 291

* The hogs comprising each shipment of delivery hereafter made by: seller to buyer is hereby guaranteed, not to exceed maximum residue levels for antibiotic drugs.

* Seller agrees on a routine basis to identify any past, current or planned use of drugs, additives, growth stimulants, or other similar reed components which are used. Buyer may require seller to change any feed component which may cause failure of approval by USDA, FDA or any other U.S. Governmental agency. If buyer requires seller to make a change to seller's feed program in place at the time this agreement begins, buyer shall, after submission and approval of documentation, which shall not be unreasonably withheld, substantiating a change to seller's cost -of production, adjust the price paid to compensate seller for said change.

* Prohibited Drugs shall mean those drugs not permitted for use in producing hogs as identified on specified exhibit, which may be amended from time to time by buyer.

* If piglets are treated with injections other than normal baby pig vaccinations, they must be identified by lot. For individuals treated, a red ear tag should be applied in their left ear. Any injectable treatment occurring after 75lbs will require removal of the pig from the program. Any pig treated by injection after 75lbs will not be shipped for processing to buyer. All individually treated grower or finisher pigs (>60lb) will be identified or separated from the lot.

* Seller shall have followed all regulatory withdrawal period for hogs on medications prior to delivery to buyer.

* Hogs must be within USDA limits on all residues (e.g., sulfa, tetracyclines, penicillin, etc.) and be certified Level III of the NPPC Pork Quality Assurance Program.

* See Schedule 287

* See Schedule 252

* See schedule 245

* Utilize nutrition programs that promote the production of quality lean meat. Seller agrees to abide by all withdrawal periods and Maximum Residue Levels (MRLs) related to feed, feed additives, and veterinary medicines used or provided to the hogs, such withdrawal periods and MRLs as determined by the applicable regulating bodies, including but not limited to the Codex Alimentarius Commission and the United States Department of Agriculture. Buyer and seller acknowledge that seller feeds Ractopamine to its swine at all seller locations in its feed formulations. Accordingly any specialty programs agreed to between buyer and seller that could require elimination of Ractopamine from the related feed formulation shall be negotiated and memorialized in a signed writing, including any adjustments to the price paid to seller for hogs sold hereunder.

* Seller shall certify, upon request from buyer, that any antibiotics or drugs that have been used with animals delivered to buyer were used according to FDA and USDA requirements.

* Seller shall at all times prior to sending hogs to buyer to administer appropriate and approved medications to the hogs when and as needed and shall follow all necessary withdrawal procedures. Seller agrees on a routine basis to identify any past, current or planned use of drugs, additives, growth stimulants, or other similar feed components which are used. Buyer may require seller to change any feed component which the USDA, FDA, or any other U.S. Governmental agency deems as disapproved.

* Seller shall provide and administer only medications, feed additives, and other animal health products approved by the FDA and only vaccines approved by the USDA, unless prescribed by a veterinarian and approved by buyer. Buyer shall abide by all laws and regulations governing the use of drugs, medications, feed additives and other animal health products in hogs intended for human consumption, including the requirements of AMDUCA, FDA Guidance 209, FDA Guidance 213, and Veterinary Feed Directive (VFD) requirements. Seller agrees to advise buyer of any regulated, controlled or restricted substances fed or administered to seller's hogs on a regular basis. Notwithstanding any other provision of this agreement, (i) seller shall not provide any prohibited drugs to any hogs delivered to buyer, and (ii) seller shall fully comply with the antibiotic withdrawal program.

* See Schedule 249

* Seller has complied with the requirement to use needleless injection technology with injectable vaccines and drugs, or seller has determined that needleless technology is not technically feasible and economically justifiable.

* If needleless technology is not technically feasible and economically justifiable, seller has complied with the requirement to use only detectible needles with injectable vaccines and drugs.

* See schedule for drug withdrawal specifics.

* This requirement does not apply to all sellers; hogs used to produce product for the Russian Federation per specified program follow a minimum withdrawal time of 14 days for tetracycline products (or label withdrawal if longer) and are subject to testing for residue from this compound; The management of production systems supplying hogs to buyer for Pigs the Russian Federation (PFRF) is responsible to maintain records to verify that now tetracycline medications are administered to market animals via feed, water, or injectable methods within 14 days prior to marketing; Minimum required records will consist of medication records for each group that include the date and number of pigs treated with injectable medication and the ending date of OTC, CTC, Tetracycline, or any other pertinent medicated feed or water; The medication records shall also indicate if no

medication was administered to the group.

* Seller certifies that the practices used to produce meditated feed fed to Seller's hogs have complied with the current Good Manufacturing Practices (cGMPs) as specified in CFR Title 21 Subchapter C Part 225 Subparts A through E, including, but not limited to, the cGMPs for: drug inventories; laboratory controls; equipment cleanout procedures; and production and distribution records.

* AMDUCA shall mean the Animal Medicinal Drug Usage Clarification Act of 1994, as amended, which regulates extra-label drug use in food producing animals.

* All hogs delivered by seller must be free of any violative drug residues to fully comply with the maximum residue limit (MRL) requirements for all domestic and international pork product sales including, but not limited to, the MRL requirements for Japanese pork product sales and the USDA Export Verification Program MRL requirement for pork product sales to the Russian Federation. To comply with the USDA Export Verification Program, seller must meet the specified withdrawal period of at least 14 days, for tetracycline group antibiotics. Seller is responsible for managing the use and withdrawal times for all antibiotics, drugs and medications to ensure that no violative residue exists in the hogs. The Animal Medicinal Drug Use Clarification Act of 1994 (AMDUCA) allows veterinarians to prescribe extra-label uses of certain approved animal drugs and approved human drugs for animals under certain conditions. Extra-label (or extra-label) use refers to the use of an approved drug in a manner that is not in accordance with the approved label directions. The key constraints of AMDUCA are that any extra-label use must be by or on the order of a veterinarian within the context of a veterinarian client- patient relationship, must not result in violative residues in food-producing animals, and the use must be in conformance with the implementing regulations published at 21 CFR Part 530. A list of drugs specifically prohibited from extra-label use appears in the Code of Federal Regulations. The minimum withdrawals are buyer’s minimums. The prescribing veterinarian is still responsible for ensuring that there is no ensuing violative residue. If the prescribing veterinarian chooses to implement a longer withdrawal period, the longer withdrawal period will supersede the minimum withdrawal time in this exhibit. No extra-label uses of drugs in animal feed are allowed. FDA Guidance 209, FDA Guidance 213, and Veterinary Feed Directive (VFD) Requirements: • By December 8, 2015 – Stop using all medically important antibiotics to improve growth rate or improve feed efficiency. • By December 12, 2016 – All water soluble antibiotic products containing medically important antibiotics must change from Over the Counter (OTC) to Rx status (even if they are used according to label directions). • By January 1, 2017 – A VFD will be required to add any medically important antibiotics (listed in Guidance #152) to food animal rations (21 CFR Part 558).

* See Schedule 239

* The Animal Medicinal Drug Use Clarification Act of 1994 (AMDUCA) allows veterinarians to prescribe extra label uses of certain approved animal drugs and approved human drugs for animals under certain conditions. Extra label (or extra-label) use refers to the use of an approved drug in a manner that is not in accordance with the approved label directions. The key constraint of AMDUC are that any extra label use must be by or on the order of a veterinarian within the context of a veterinarian client patient relationship, must not result in violative residues in food-producing animals, and the use must be in conformance with the implementing regulations published at 21 CFR Part 530. A list of drugs specifically prohibited from extra-label use appears in the Code of Federal Regulations. The minimum withdrawals are buyer's minimums. The prescribing veterinarian is still responsible for ensuring that there is no ensuing violative residue. If the prescribing veterinarian chooses to implement a longer withdrawal period, the longer withdrawal period will supersede the minimum withdrawal time in this exhibit. No extra label uses of drugs in animal feed are allowed.

FDA Guidance 209, FDA Guidance 213, and Veterinary Feed Directive (VFD) Requirements: By December 8, 2015 - Stop using all medically important antibiotics to improve growth rate or improve feed efficiency. By December 12, 2016 - All water soluble antibiotic products containing medically important antibiotics must change from Over the Counter (OTC) to Rx status (even if they are used according to label directions). By January 1, 2017 - A VFD will be required to add any medically important antibiotics (listed in Guidance #152) to food animal rations (21 CFR Part 558).

* Animal health and comfort are paramount; No antibiotics will be used in feed for growth or performance enhancement; Vaccinations and health treatments will be specifically targeted to prevent or treat illness. Treatment must be specific and either injectable or water applied; all treatments will be recorded; No extra label drug use is permitted; No hormone or hormone-like [Such as Ractopamine (Paylean] growth enhancers will be used in market pigs; all sellers must have a veterinarian on file with the Executive Director.

Quality/Weight - Failure to Meet Standards

* If seller fails to achieve the quality and weight standards required under this agreement during this thirty day period, buyer may consider such failure a material breach of this agreement and may terminate this agreement without further opportunity for seller to remedy such breach.

* If a seller is out of compliance with the terms and requirements set forth in this agreement, a penalty will be assessed against seller at all times of ($4.00) cwt carcass (four dollar) carcass weight on the contract weight outstanding.

* Seller's delivery of the required quantities of qualifying hogs to buyer set forth in specified paragraph above Is an essential part of this agreement, and seller's failure to supply at least 95·of the required quantities of qualifying hogs in any quarter may constitute a default hereunder. Buyer may In Its sole and absolute discretion assess a $5.00 per head deficiency fee for the number of qualifying hogs falling below 95 of the required quantities.

* A seller is expected to respond to the results and provide a corrective action for noncompliance to parameters of the buyer program as stated in above. A failure to provide corrective actions to any issues will result in exclusion from the buyer program. Once corrective actions have been approved and verified, the supplier can be re-established into the buyer program.

* During the term of this agreement, buyer will notify seller in writing if, in buyer's good faith belief, the seller no longer produces hogs that meet the standards in any material respect or cause buyer significant reduction in operational efficiencies, and such notice will describe said deficiencies with reasonable specificity (the Substandard Report), and will also set forth the amount of time, which shall be reasonable given the growth cycle of the hog, seller shall have to correct said deficiencies. If seller fails to correct such deficiencies within such given time, then buyer shall have the right to terminate this agreement immediately upon written notice to seller. In addition, carcass merit program premiums will not be paid for hogs delivered after the date of the substandard report until such time as such deficiencies have been fully corrected. If seller disputes the existence of any deficiency described in a substandard report, seller and buyer shall meet within ten (10) working days after receipt of the substandard report by seller to resolve the dispute. If both parties agree (or it is otherwise determined) that none of the deficiencies described in the substandard report were in existence at the time the substandard report was issued, then the carcass merit program premiums will be immediately payable with

respect to all hogs delivered since the date of the substandard report to the same extent as if such substandard report had never been issued.

* Seller's monthly quantity shortage shall be the difference, if negative, of the total number of hogs purchased from seller by buyer pursuant to this agreement for the relevant fiscal month minus the seller's monthly quantity for such month.

* In the event the seller fails to deliver 100 of the total carcass weight provided for in this contract, or otherwise fail in the performance of this agreement, the seller shall be liable to the buyer for all damages incurred by the buyer by reason of the seller’s default. Including, but not limited to, losses by the buyer on the CME activity related to this contract, and the reasonable attorney’s fees incurred by the buyer to enforce its rights hereunder.

* If seller is in violation of any of the parameters in this program, buyer or its representative will notify seller in writing, and seller will be given 30 days to remedy the issue or deliver a written action plan unless otherwise stated.

* In the event that seller delivers hogs that fail to conform to the requirements of this agreement, then buyer may, in addition to all other remedies available to buyer, either reject or accept any non-conforming hogs. If buyer agrees to purchase non-conforming hogs, loads that do not comply with the specifications as listed in specified section will be discounted according to buyer's then current discount schedule and will be counted towards the satisfaction of the requirements listed in specified exhibit A. Individual hogs that do not comply with the specifications as listed in specified section will not be counted towards the satisfaction of the requirements listed in specified exhibit.

* In the event that seller delivers hogs that fail to conform to the specifications then buyer may, in addition to all other remedies available to buyer, either reject or accept any non-conforming hogs. If buyer agrees to purchase non-conforming hogs, it shall pay for them at a price determined by buyer; however, any such non-conforming hogs shall not be counted towards satisfaction of the volume requirement for hogs set forth in specified exhibit. [If buyer elects to purchase non-ambulatory hogs that make it past inspection at the plant, buyer shall pay seller seventy percent (70) of the current-business day's specified price for such hogs multiplied by average carcass weight of the lot.]

* In the event that seller delivers hogs that fail to conform to the requirements of this agreement, then buyer may, in addition to all other remedies available to buyer, either reject or accept any non-conforming hogs. In the event that buyer elects to accept nonconforming hogs, the price to be paid by buyer to seller for the non-conforming hogs shall be lower specified prices subject to any applicable discounts under the then current discount program of buyer's plant. Hogs that are priced at Lower of the two pricing will be counted towards satisfaction of the volume requirement set forth in specified exhibit.

* In the event that Seller delivers hogs that fail to conform to the requirements of this agreement, then buyer may, in addition to all other remedies available to buyer, either reject or accept any non-conforming hogs. If buyer agrees to purchase non-conforming hogs, it shall pay for them at a price determined by buyer and such non-conforming hogs shall not be counted towards satisfaction of the volume requirement set forth in specified exhibit.

* In the event that seller delivers hogs that fail to conform to the requirements of this agreement, then buyer may, in addition to all other remedies available to buyer, either reject or accept any non-conforming hogs. In the event that buyer elects to accept non-conforming hogs, such hogs shall not count towards the quantity requirements under this agreement, and the price to be paid by buyer to seller for the non-conforming hogs shall be lower of (i) the agreement price, as determined under the terms of specified paragraph, or (ii) the cash price, as offered by buyer at the plant of delivery, for similar hogs, on the day of delivery of such non-conforming hogs, subject to any applicable discounts under the then current discount program of buyer's plant. In the event that buyer pays the agreement price for any non-conforming hogs, buyer, at its option, may deduct any overpayment against current and future amounts owed by buyer to seller under this agreement. Buyer shall also have the right to offset against current and future amounts owed to seller under this agreement, any and all damages sustained by buyer as a result of seller's breach of this agreement, including without limitation seller's failure to deliver the quantity of hogs required under this agreement. In the event that buyer has reasonable grounds to believe that seller's ability to perform under this agreement is impaired then buyer may in writing demand from seller adequate assurance of due performance, and buyer may suspend its performance under this agreement, if commercially reasonable to do so, until such adequate assurance is provided by seller. If seller fails to provide such adequate assurance within a reasonable time, not to exceed 30 days, then buyer may terminate this agreement. The rights and remedies set forth in this article are non-exclusive and shall be in addition to any other rights or remedies that may be available to buyer at law or in equity.

Quality/Weight - Genetics

* The following list only includes purebred or synthetic lines. All progeny produced from pure matings or from one or more crossbred matings using these purebred lines, synthetic lines or their progeny are also deemed to be approved genetics.

* Buyer acknowledges that seller's current genetic program is acceptable to buyer for all hogs to be supplied to buyer under this agreement. Buyer further acknowledges that seller intends to implement a new genetic program upon closing of the sale, which will impact the genetic and related premiums, and that the parties shall work together with genetic provider for revised premium payments and delivery schedules. In the event seller proposes to alter or modify the genetic program, seller must notify buyer no less than six (6) months prior to receipt of hogs from the new genetics provider. Such genetic program shall be capable of producing lean, uniform and consistent hogs meeting buyer's desired weight and grade standards and buyer's acceptance of such genetic program shall not be unreasonably withheld.

* Buyer makes no warranties, either express or implied as to the merchantability or fitness for a particular purpose of the performance of the offspring or the breeding stock containing any approved genetics.

* A genetic program capable of producing lean, uniform sorted hogs that consistently meet buyer's requirements.

* Seller agrees to develop and utilize a genetics program which maximizes heterosis by using terminal/maternal breeds or lines. Such genetics program, as well as the lines or breeds of swine to be used, shall be approved in advance by buyer. Buyer specifically accepts and approves hogs produced from the current line of genetics utilized by seller.

* (i) Until the Act is implemented in the United States, seller may, from time to time, purchase replacement gilts and/or weaned/feeder hogs for placement in the designated production facilities which are of like quality to that of the remainder of seller's herd provided that seller provides buyer written notice of (a) when the replacement hogs were purchased; (b) where, and in what facilities, the Replacement Hogs were purchased; (c) the Designated Production Facilities that the replacement hogs are located; (d) the estimated marketing period dates of the replacement hogs; and (e) the positive identification of each replacement hog sufficient to allow the buyer to track the replacement hog throughout processing.

* Buyer and seller hereby agree that the genetic strains of hogs listed on specified exhibit are acceptable genetics for placement in the facilities for the breeding stock. Seller shall use the genetics of the breeding stock listed on specified exhibit, as may be amended in writing from time to time by seller, and in the event seller requires changes in the genetics of the breeding stock, any incremental changes in the costs shall be reflected in an adjustment to the price.

* The genetics used by seller to produce the hogs shall be primarily specified for female lines and specified for sire lines. Seller is part of a genetics company test program, it is understood by both parties that notification to change genetics is waived.

* It is mutually understood between buyer and seller that seller will utilize genetics and production practices intended to produce hogs with carcasses and meat quality (which includes, without limitation, firmness, water holding capacity, marbling as determined by tests such as pH and Minolta readings) that will meet or exceed the average of all carcasses from hogs delivered to buyer based on, as applicable, the existing carcass evaluation system at the time of delivery or meat quality standards. Any changes to genetic lines used by seller to produce hogs shall require written pre-approval from authorized personnel, such approval not to be unreasonably conditioned, delayed or denied.

* Seller agrees to develop and utilize a genetics program which maximizes heterosis by using terminal/maternal breeds or lines. Such genetics program, as well as the lines or breeds of swine to be used, shall be approved in advance by buyer. Buyer specifically accepts and approves hogs produced from the current line of genetics utilized by seller. In the event buyer requests seller to alter its current genetic line or develop or utilize a new genetic line, buyer shall allow seller thirty months, which the parties agree is a reasonable and sufficient time, to make the transition. Should seller decline to alter its current genetic line or develop or utilize a new genetic line agreeable to buyer, buyer may execute notification of termination. The agreement shall remain in full force and effect, unmodified as to this provision, until the agreement terminates pursuant to specified section.

* Buyer and seller hereby agree that the genetic strains of hogs listed on specified exhibit are acceptable genetics for placement in the facilities for the breeding stock. Seller shall use the genetics of the breeding stock listed on specified exhibit, as may be amended in writing from time to time by seller, and in the event seller requires changes in the genetics of the breeding stock, any incremental changes in the costs shall be reflected in an adjustment to the price. Upon request by buyer, seller shall provide buyer with documentation satisfactory to buyer to validate the requirement that the hogs delivered by seller contain only approved genetics as described in specified exhibit. Upon buyer's request, seller shall also provide buyer with delivery documents noting the genetic history of each load.

* Buyer acknowledges that seller's current genetic program is acceptable to buyer for all sows and hogs to be supplied to buyer under this agreement. In the event seller proposes to alter or modify the genetic program, such genetic program shall be acceptable to buyer and capable of producing lean, uniform and consistent hogs

meeting buyer's desired weight and grade standards; provided that buyer's acceptance of such genetic program shall not be unreasonably withheld. Whenever requested by buyer, seller shall inform buyer of the identity, address and telephone number of the person or entity providing the genetic program utilized by seller and provide buyer with the right to consult with and inspect seller's records regarding such genetics provider during normal business hours.

* All hogs sold to buyer hereunder have been produced in accordance with the genetic program identified by seller, are free of antibiotics and otherwise meet the PQA Plus standards.

* Deliver pigs produced from the specified or a similar superior genetic line.

* Upon request by buyer, seller shall provide buyer with a copy of its current genetics agreement or other documentation satisfactory to buyer to validate the requirement that the hogs delivered by seller contain only approved genetics.

* The initial genetics used by seller to produce the hogs shall be specified for female lines and specified for boar lines. On or before specified date, the genetics used by seller to produce any hogs shall be specified for female lines and specified for boar lines. Seller shall provide written notice to buyer ten (10) days prior to beginning deliveries of hogs produced with the new genetics. If seller fails to comply with the provisions of this section then buyer may at its sole option, in addition to all other rights and remedies that buyer may have hereunder, terminate this agreement. Except as set forth above, seller shall not change the genetics of any hogs without buyer's prior written consent.

* Updated lists of seedstock suppliers and contact information are available through the executive director.

* Seller shall institute, maintain and comply with a genetic program acceptable to buyer for all seller's sows, whether owned or contracted and hogs to be supplied to buyer under this agreement. Such genetic program shall be proven capable of producing lean, uniform and consistent hogs meeting buyer's desired weight and grade standards, as may be modified from time to time. When requested by buyer, seller shall inform buyer of the identity, address and telephone number of the person or entity proving the genetic program utilized by seller and provide buyer with the right to consult with such genetics provider during normal business hours. Breeds or genetic types selected by buyer must perform acceptably at the buyer's facility and meet any breed-specific claims made by buyer.

* All hogs sold to buyer hereunder have been farrowed to specified sows, unless otherwise fully disclosed to and accepted by buyer in writing, prior to delivery.

* Seller shall use an approved commercial genetic sire line available from specified lines. Additional Genetic lines may be approved for use following a cut test to assure buyer of the necessary meat quality standards. Seller must notify buyer of any and all genetic changes in a timely manner from the point a decision is made.

* Seller will communicate material changes to its genetics program to buyer at least 90 days prior to making such changes. The parties will use their best efforts to coordinate cut tests and other evaluation standards of premium qualities associated with current genetics. Prior to seller making any material change in its genetics program, seller and buyer must mutually agree that the proposed change will produce market hogs with a carcass quality at least equal to the carcass quality of the market hogs produced by the then-current genetics.

* All hogs sold to buyer hereunder have been produced in accordance with the genetic program identified by seller, and have not been fed or administered antibiotics from birth to market.

* Seller shall use its best efforts to deliver hogs that produce acceptable carcasses and primal cuts consistent with buyer's quality specifications.

* Seller shall use the genetics set forth on specified exhibit in order to produce the hogs. Any change to the seller's genetics from those set forth in specified exhibit must be approved, in advance, by buyer.

* Seller warrants that the hogs delivered will continue to meet, in all material respects, the genetic and carcass attributes that are currently being delivered by seller to the buyer. Seller shall provide buyer with sixty (60) days' written notice prior to implementing any proposed material change in genetics, nutrition or production management that may have an adverse effect on the kill performance and/or value of meat derived from the hogs. Buyer shall provide seller, within fifteen (15) days of receipt of seller's notice, of any objections to any such material change (any objections shall be based upon a reasonable determination by buyer that such material change will have an adverse effect on the kill performance and/or value of the meat derived from the hogs). If buyer has no such objections, then seller may implement such material change. If buyer has such objections, then seller shall not implement such material change in a manner that results in actual delivery to buyer of hogs bearing such change in attributes.

* If buyer notifies seller of any reasonable objection to any of the genetics used by seller to produce the hogs, Seller shall use its best efforts to avoid delivering hogs with such genetics to seller in the future.

* Seller shall provide documentation that all animals delivered under this contract are descendants of purebred Berkshire breeding stock duly registered with the American Berkshire Association or certified to be 100 Percent Berkshire hogs by DNA testing conducted by Japanese or acceptable U.S. testing services.

* If a seller identifies a seed stock supplier that is not on the approved list and wishes to source off farm replacement genetics from the supplier, they must submit a written request for approval to the buyer. This request will be reviewed by the buyer board of directors and approval may either be granted or denied. Under no circumstance may the seller source off farm replacement genetics from an unapproved supplier.

* All boars, semen, and replacement gilts will be sources from approves specified seed stock suppliers.

* Use improved genetic lines which shall be approved by buyer, provided that buyer approval shall not be unreasonably withheld if said genetics are of good quality relative to the industry.

* The genetics used by seller to produce the hogs shall be primarily specified for female lines and specified for sire lines. Seller shall notify buyer in writing of any change to the genetic program currently being used.

* Seller certifies that the hogs delivered to packer contain only approved genetics as listed in agreement.

* The genetics used by seller to produce the hogs be specified genetics for female lines and specified genetics for sire lines. Seller shall not change such genetics without buyer's prior written consent, which shall not be unreasonably withheld.

* All of seller's hogs delivered pursuant to this agreement will be from the genetic line of swine developed by specified or a mutually acceptable superior genetic line.

Quality/Weight - Lean Percentage and Yield

* All hogs shall on average, over each consecutive 6 month period, be no less than 54 lean at specified locations and be no less than 52.5 lean at specified locations. Such measurements, except as otherwise set forth in this agreement, shall be made by Fat-0-Meat'er.

* All hogs shall on average, over each consecutive 6 month period, be no less than the greater of (a) 53 lean, or (b) an amount which meets or exceeds the plant average (with respect to the plant to which the hogs are delivered). Such measurements shall, except as otherwise be set forth in this agreement, be made by specified device.

* Carcasses will be scalded at buyer's slaughter facility. Carcass yield for carcasses will be determined after removing the head, kidneys, leaf fat, hanging tenders, and spinal cord. Carcass yield or trim loss due to health reasons, carcass defects, bruises, and any other trimming or harvesting procedures conducted by buyer In Its sole and absolute discretion is at seller's expense. Exceptions are made for carcass impacts caused by the plant such as condemnations due to over scald, and other like circumstances.

* Conversions between live prices and carcass ·prices will be made utilizing buyer's standard yield in effect on the day of slaughter.

* Annual Lean Requirement shall mean an average annual lean percentage at least equal to 51.5 for all hogs delivered to buyer by seller during any delivery year, with the lean percentage for each carcass calculated by the following formula: Lean percentage = 100 x [2.827 + (0.469 x carcass weight) - (18.470 x fat mm x 0.0393701) + (9.824 x loin depth mm x 0.0393701)] / carcass weight.

* Hot dressing yield shall average, over each consecutive 6 month period, no less than the greater of (a) over 75 per load, or (b) an amount which meets or exceeds the plant average (with respect to the plant to which the hogs are delivered).

* For purposes of this agreement, any price listed as live-weight may be converted to carcass weight basis by dividing the live-weight price by.745 and any price listed as carcass weight may be converted to live weight by multiplying the carcass weight by 0.745.

* During each delivery year, seller shall meet the annual lean requirement.

* Hogs shall be of an acceptable lean percent as determined pursuant to buyer's carcass grading system. An acceptable lean percent is presently defined as one greater than forty-four percent (44) on average over a consecutive sixty (60) day time period, subject to modification by buyer from time to time.

* This formula is simply used to convert the daily USDA market that is quoted as a dressed price into a live price quote. It does not refer to the cutability or dressing percent of an individual lot of pigs.

* Hot dressing yield for all hogs delivered by seller under this agreement shall average, over each 6 month period ending June 30 and December 31, not less than 74.4.

* Seller shall sell hogs that have a minimum average lean percentage of 50 as measured by the Fat-0-Meter or other device which buyer subsequently use to measure the lean percentage for use in the carcass merit program.

* All hogs shall on average, over each consecutive 6 month period, be no less than 54 lean. Such measurements shall, except as otherwise set forth in this agreement, be made by Fat-O-Meat'er.

* Hot dressing yield shall average, over each consecutive 6 month period, no less than 74.5,.5 lower than buyer's standard requirement due to the fact seller is part of a genetics company test program and has limited ability to control hot dressing yield.

* During each consecutive six (6) month period during the term, seller shall deliver hogs that, on average during each such period, (i) are no less than 53 lean, and (ii) have a hot dressing yield of no less than 75. Lean measurements shall, except as otherwise set forth in this agreement, be made by Fat-0-Meat'er.

* Hot dressing yield shall average, over each consecutive 6 month period, no less than the greater of (a) over 73.5 per load, or (b) an amount which meets or exceeds the plant average (with respect to the plant to which the hogs are delivered; and provided that the method used to determine plant averages is of a quality and volume to accurately determine the same). For the purposes of this agreement, load shall mean the quantity of hogs contained in a vehicle or trailer, which is used by seller to ship and deliver the hogs to buyer; provided, however, in no event shall a load exceed the quantity that may fill a standard semi-trailer used for the purpose of transporting hogs

* Hot dressing yield shall average, over each consecutive 6 month period, no less than the greater of (a) over 75 per load, or (b) an amount which meets or exceeds the plant average (with respect to the plant to which the hogs are delivered).

* Hot dressing yield shall average, over each consecutive 6 month period, no less than 75.
* All hogs shall on average, over each consecutive 6 month period, be no less than the greater of (a) 53 lean. Such measurements shall, except as otherwise set forth in this agreement, be made by Fat-O-Meat'er.
* All hogs shall on average, over each consecutive 3 month period, be no less than 54 lean.

Quality/Weight - Meat Quality or Usability

* The initial delivery of hogs shall pass a cutting test, as determined by buyer. Provided that the initial delivery of hogs passes the cutting test, each subsequent delivery of hogs shall meet or exceed the standards established by the initial cutting test. [In addition to seller's obligation to meet the foregoing specifications, seller shall, if requested by buyer, implement programs to improve the quality of the hogs and/or buyer's ability to sell pork products produced from the hogs (e.g., a farm hazard analytical control point program, an ISO 9000 program, etc.); provided, however, that any such program does not adversely affect seller's ability to produce hogs in a5cordance with the specifications of this agreement.]

* Seller shall use its best effort to achieve an iodine value for hogs no greater than 72. Sampled hogs shall on average, over each consecutive 3 month period, be no greater than the maximum iodine value. The current maximum iodine value is 75. Buyer may revise such maximum iodine value from time to time. Buyer shall give seller thirty (30) days' notice prior to revising such maximum iodine value. Buyer may, in its discretion, determine iodine values by testing carcasses on a random basis or by testing each individual carcass.

* See Schedule 230

* Seller agrees to maintain a composite iodine value (a measurement of fat saturation) at 72/73 or lower as determined from carcass belly fat samples collected from seller's hogs.

* If buyer tests seller's market hogs for pH, buyer shall provide the results of such testing to seller and shall identify any deficiencies or concerns with the pH levels from such market hogs as compared to other hogs purchased by buyer at its plant(s). Buyer may, in its discretion, determine pH by testing carcasses on a random basis or by testing each individual carcass. Seller agrees to work with buyers to identify the reason for any deficiency or concern and to take appropriate steps to address such deficiency or concern.

* The pH for each load of hogs shall meet or exceed the plant's minimum expectations (with respect to the plant to which the hogs are delivered). In addition, in the event that buyer establishes a standard pH for hogs, then each load of hogs shall also meet or exceed such standard pH The standard pH shall mean the base pH set forth from time to time in buyer's carcass merit buying matrix existing from time to time as described in specified section. Buyer may revise such standard pH from time to time. Buyer shall give seller specified days' notice prior to establishing or revising such standard pH Buyer may, in its discretion, determine pH by testing carcasses on a random basis or by testing each individual carcass.

* Buyer shall continually and immediately provide seller with its specified device and other reports and analysis of the quality of meat on the carcasses and shall verify quality problems to seller.

* All hogs sold to buyer hereunder are fit for the particular purpose for which they are intended to be used by buyer, as defined in the specified Uniform Commercial Code.

* Carcasses shall continue to meet the fat quality standard that existed at the existed at the beginning of the contract with a maximum 74.0 iodine Value as measured on the belly. Carcasses exceeding these parameters may be Ineligible for weight premiums until seller corrects this problem, buyer has the right to take random fat samples, in the event the Iodine Value exceeds 74.0, the seller will be notified and asked to modify practices to meet this standard. Failure to make the appropriate changes may result in carcasses being deemed nonqualifying hogs.

* All seller hogs delivered must have an average iodine value of 73 or lower as measured from jowl fat samples (with a minimum of 30 samples). After a second consecutive average iodine value test result greater than 73.0 is recorded, the following penalty will apply on that patron's hogs until an iodine value test result of 73.0 or less is recorded.

* Seller shall use its reasonable best effort to achieve an Iodine Value for hogs that is at or below the plant average. Buyer shall determine Iodine Values by using a statistically reliable sampling of carcasses or by testing each individual carcass.

* Iodine Value is a measure of the degree of unsaturation of a fat or fatty acid within the pork carcass.

* All sampling for iodine values shall be conducted in accordance with the procedures set forth on specified exhibit. For each hog delivered after failing twice in a row to achieve at average iodine value of less than or equal to seventy-two (72) and continuing until an average testing result below seventy-two (72) for iodine values is achieved, the following reduction shall be made to the price to be paid by buyer to seller hereunder for hogs, according to schedule 285/290.

* The carcasses from the hogs shall not have excessive insect bites (e.g., flies, mosquitoes, etc.), as determined by Buyer. Insect bites shall be deemed excessive if any of the following conditions are met due to the bites: trim loss is above normal, USDA requires a carcass to be trimmed, the carcass is railed out to perform the trimming, or the belly from the carcass decreases from a grade #1 to a lesser grade.

* Hogs from each seller will be sampled at least quarterly. Sellers will be monitored based on parameters for the current supply coming into the buyer facility. These data points are indicators related to genetics, nutrition, and handling. The monitoring method for a seller, which will be obtained using a specified device can be accomplished through the following items, but not limited to these methods: Supplier Average Loin Depth, mm - based on specified device: Target- 61-70, Notification Point - Below 57 or Above 74, Action Point - Below 48 or Above 82; Supplier Average Back Fat, mm - based on specified device, Target - 14 - 18, Notification Point - Below 12 or Above 20, Action Point - Below 8 or Above 24; Supplier Average NPPC Color Score - based on specified device, Target - 3 - 4, Notification Point - 2.5 - 5.0, Action Point-Below 2 or Above 5.5; Supplier Average Fat Melting Point - based on belly fat, Target - 78 - 83, Notification Point - Below 75 or Above 85, Action Point - Below 70 or Above 90; Following the tests, a report will be sent to the seller along with any relevant guidance. If necessary, seller is expected to respond to the results in a timely manner. Failure to correct any meat quality issues that buyer deems to be severe may result in exclusion from the Buyer Supplier Program in accordance with specified item below.

* Buyer may perform cutting tests on hogs at any time. If such tests are performed, and it is determined by buyer that product yields and or muscle quality from the hogs are below expectation, buyer shall share the results with seller and seller will use best efforts to improve identified deficiencies and increase overall value to the supply chain.

* Buyer's standard pH and iodine value, which are specifications that seller must meet with respect to the hogs, may be changed per the terms of specified sections. Buyer's carcass merit program, which is one component used to determine the price to be paid to seller, may be changed per the terms of specified section.

* Seller shall use its best efforts to deliver hogs that produce acceptable carcasses and primal cuts consistent with buyer's quality specifications. In the event that the buyer identifies pork quality concerns, seller's hogs may be tested for pH and/or iodine values and be compared to buyer's acceptable standards. Seller shall use its best efforts to achieve a minimum plant pH for hogs of 5.7, and 72 will be the target iodine value for hogs with levels not to exceed the maximum iodine value of 75.

* During the first month of each calendar quarter while this agreement is in effect, buyer shall select eight (8) hogs delivered by seller to buyer hereunder and shall test such hogs for iodine values. In the event the average iodine value for the eight (8) hogs selected is greater than 73, buyer shall randomly select ten (10) additional hogs for testing as soon as practicable, five (5) from each of two (2) loads delivered. All sampling for iodine values shall be conducted in accordance with the procedures set forth on specified exhibit. In the event the

average iodine value for the ten (10) additional hogs also sampled exceeds 73, the following shall apply: During the first week of the next month, buyer shall randomly select ten (10) hogs delivered hereunder, five (5) from each of two (2) loads, and shall test them for iodine values, utilizing the procedures set forth on specified exhibit, which testing shall continue the first week of each month until a testing result averaging below 73 is achieved; and For each hog thereafter delivered and continuing until an average testing result below 73 for iodine values is achieved, the following reduction shall be made to the market price to be paid by buyer to seller hereunder for hogs, as follows:

* Sellers shall maintain a target Iodine Value of 74/75 or less. Continued elevated values above 75 will be grounds for termination by buyer.

Quality/Weight – Needles

* Seller agrees to tattoo with the letters “NEDL” and to apply a large red ear tag in both ears of all hogs suspected of containing a broken needle.

* Seller shall use needles and procedures that minimize needle breakage. If/When breakage occurs in an animal despite seller's best practices, seller shall permanently identify such animal and shall communicate the identity of such animal to buyer at the time of delivery. Any animal adequately identified at delivery to location will be humanely euthanized by buyer and seller will receive full payment for such animal. If a needle is found by buyer in a carcass supplied by seller that was not Identified In the manner set forth above, seller will receive no value for that animal. [Further, such act will constitute a breach of this agreement, which, notwithstanding anything to the contrary in this agreement, may result in immediate termination of this agreement.]

* Seller must use highly detectable needles or needleless injection technology to administer injectable vaccines and/or drugs.

* Buyer prefers the practice of needleless injection technology to administer injectable vaccines and/or drugs. If needleless technology is not technically feasible and economically justifiable, seller will use detectable needles that are approved by buyer. Buyer reserves the right to require seller to change types of needles to comply with optimum needle detectability.

* Seller agrees that it will utilize needleless injection for all injections at the farms producing hogs for delivery hereunder by specified date. The foregoing shall not apply to shots given to breeding stock. Buyer will assist seller in these efforts if requested by seller.

* Seller shall only use needleless injection technology with injectable vaccines and/or drugs on seller's hogs and certifies that every load of hogs and/or non-qualifying hogs will comply with that requirement.

Quality/Weight – Nutrition

* No rendered animal proteins including meat meal, bone meal, or blood meal will be used.

* Seller shall feed the hogs in accordance with the written nutrition plan which has been previously provided to buyer, a copy of which is attached hereto as specified exhibit. If requested by buyer, seller shall modify such nutrition plan and feed the hogs in accordance with the modified plan (e.g., to provide for the use of feed inputs that are non-genetically modified organisms); provided, however, that the modified plan does not adversely affect seller's ability to produce hogs in accordance with the specifications of this agreement. Seller shall give thirty (30) days written notice prior to any use by seller of Beta Agonist, PST, Ractopamine, or any other substance in producing the hogs, and seller shall discontinue the use of such substances if they adversely affect, as determined by buyer, buyer's processing of the hogs or marketing of the pork products from the hogs.

* All hogs sold to buyer shall follow a nutrition program comparable in quality to the nutrition program followed at other seller farms for hogs produced for buyer and must adhere to buyer nutritional guidelines. Buyer reserves the light to audit seller's nutrition program via paper records or require the submission of random feed samples.

* All grower and finishing rations will be primarily (>50) wheat and/or barley.

* In the event that medicated feed requiring a pre-slaughter withdrawal has been placed in the bins of the finishing building, the following clean bin verification protocol must be implemented: 1. Prior to Topping/Shipping all bins must be verified clean of medicated feed. The amount of time prior to Topping/Shipping is specified in the agreement. 2. Each bin must be opened and visually inspected to ensure that the bin is empty and no residue from the medicated feed remains. 3. Once verified, yellow survey tape must be placed on the left front bin leg to indicate a non-medicated status. 4. A system must be in place to only allow non-medicated feed to be delivered to the bin between the time the bin has been verified to be clean and the last pig has been marketed from the barn.

* Bin Management Protocol 1. Any bin receiving medicated feed will have a yellow tag attached to it. 2. Before any non-medicated ration is delivered, all medicated feed must be emptied out. Farm staff must visually verify bin is empty and clean before removing yellow tag. 3. Feed drivers will not place any non-medicated ration into any bin that has a yellow tag attached. 4. Any bin receiving pay-lean rations will have a red tag attached to it. 5. Any red tagged bin must be visually verified by farm staff to be empty and clean before removing red tag. 6. Feed drivers will not place any non-pay-lean ration into any bin that has a red tag attached.

* All pelleted feeds, premixes, and vitamin and mineral packs will be produced and distributed by approved sources.

* All health treatments and feed rations will be recorded and retained for 1 year post slaughter.

* All hogs should be fed a diet of which a majority is comprised of grains including, but not limited to, corn, soybeans, wheat, barley and their associated by-products; Diets should be formulated and administered based on consultation with an accredited nutritionist or swine nutrition professional, and must be adjusted throughout the grow out period to meet the pigs' changing nutritional needs; Hogs should never be fed scraps, swill, garbage, or uncooked meats; A fat source's iodine value must be closely monitored and the resulting carcass fat melting point must be kept between 78-83 as noted in the parameter of the buyer supplier program; Hogs will never be fed, implanted or injected with any hormones or steroids

* Hogs shall not have access to feed for at least 12 hours and no more than 20 hours prior to their delivery to the processing facility. First sort or top out groups are exempt.

* In order to ensure uniformity in the final product, a certain level of nutritional consistency must be met during the feeding process. Any ingredient listed in specified table may be utilized in the feed; however, the inclusion rate of some ingredients must be limited to a level that maintains a carcass fat iodine value of 72 or lower. No meat and bone meal may be used except porcine (pork) meat and bone meal. Additionally, to ensure the highest quality final product, vitamin and mineral inclusions in the finished feed must be maintained at or above the minimum levels listed in specified table. Special Energy Density and Fat Source Requirement: Fat firmness and color are to be preserved through limiting the sources of dietary fat to choice white grease and beef tallow (other sources of fat must be approved by Processor) from 150 pounds of body weight and greater. During the early phase of growth, vegetable oils may be utilized. Overall, pork carcass fat quality is affected by source and level of fat. Therefore, in addition to the above guidelines, average carcass fat iodine value (a measurement of fat saturation), as measured at a location just adjacent to the manubrium of the carcass (roughly the posterior end of the sternum or brisket bone), must be maintained at 72 or lower.

* Seller shall utilize feedstuffs known to produce specified program hogs of desirable quality to buyer and that meet the specific requirements of specialty markets as required by buyer. Buyer reserves the right to have such feedstuffs or rations thereof reformulated in the event buyer determines in its sole discretion that seller's specified program hogs are of substandard quality or are not fit for buyer’s intended use. All ration formulations and feed ingredients must be acceptable to buyer and seller shall provide buyer with feed records to verify compliance with specified program guidelines upon request.

* See schedule 258

* See schedule 244

* See schedule 250

* Seller shall utilize a nutrition plan that produces hogs and pork products that meet or exceed the specifications and requirements of this agreement. If the quality of hogs and the pork products from the hogs do not meet the specifications of this agreement. Buyer may request and seller shall provide buyer a copy of the seller's nutrition plan. If the plan adversely affects the processing of the hogs or marketing of the pork products from the hogs, as determined by buyer. Seller shall modify such nutrition plan (e.g... to limit the use of DDGS, bakery byproducts, wheat mids, added fat, etc.), and, upon approval by buyer, feed the hogs in accordance with the modified plan.

* Seller shall comply with buyer nutritional and medication guidelines as updated specified date and attached herein as specified schedule. Sellers will submit to a bi-annual feed audit consisting of the review of a randomly selected finishing barn's most recent feed receipts and formulation in order to assure compliance.

* Seller shall feed the hogs in accordance with the written nutrition plan which has been previously provided to buyer, a copy of which is attached hereto as specified exhibit. If requested by buyer, seller shall modify such nutrition plan and feed the hogs in accordance with the modified plan provided, however, that the modified plan does not adversely affect seller's ability to produce hogs in accordance with the specifications of this agreement.

* A balanced nutritional swine diet where the hogs' minimum requirements are met. All feed ingredients in the swine ration must contain only ingredients or products that are USDA/Food and Drug Administration approved for use in food animals. The feeding program must also follow buyer' written recommendation on feeding of dried distiller's grains with solubles. Buyer may in its sole discretion change the DDGS policy by providing

written notice to seller. Unless otherwise specifically agreed in writing by seller, any DDGS policy applicable to seller shall not be different than the DDGS policy applicable to all other hogs contracted by buyer.

* The following are a set of guidelines and protocols to be followed by all sellers of hogs to the buyer and are subject to change. These guidelines are put in place in order to provide an understanding to our customers of how our hogs are raised, as well as a clearly defined expectation for all of our hog sellers. The seller is solely responsible to ensure compliance with this program in regards to their feed manufacturer, employees, and veterinarian. Any questions or clarifications about specific standards listed in these guidelines should be addressed to the manager of hog procurement.

* Seller agrees to withdraw feed from hogs for at least 12 hours and no more than 20 hours prior to their delivery to buyer. This requirement does not apply to hogs that are topped and shipped prior to the week of closeout.

* Seller has complied with the nutrition standards; Seller has used only those ingredients listed in the agreement and has not exceeded any maximum inclusion rates; and seller has complied with the minimum vitamin and mineral inclusion rates as listed in the agreement.

* Utilize nutrition programs that optimize the production of quality lean meat. Seller shall not, however, feed any items that may be detrimental to meat quality or buyer's ability to market or merchandise product, such products containing Ractopamine (for example, Paylean or other brands}, high oil grains, etc., without buyer's prior written approval. If pork quality issues are identified at the buyer's plants, buyer may request, and seller shall provide upon such request, the written nutrition plan being used by seller.

* Seller must sign an affidavit that market hogs have never been fed any beta agonists.

* Seller agrees that the hogs shall he produced in compliance with buyer's feed and nutrition requirements, as listed on specified exhibit attached hereto, as may be amended or modified from time to time by the parties hereto in accordance with industry standards, for t4e production of hogs with the most desirable traits for effective marketing. Seller agrees that the hogs shall be produced in compliance with the nutrition standards, and that a nutrition program shall be employed that will produce hogs free of drug residues (as determined under a standard no more strict than the Charm II test). In addition, seller agrees to comply with the feed withdrawal program, as set forth on specified exhibit, prior to delivering the hogs to buyer.

* Buyer and seller agree to consult with each other as to nutrition matters and the feed additives that buyer may desire. Seller hereby agrees to comply with the nutrition standards, as set forth on specified exhibit, as may be amended or modified from time to time by buyer. Seller agrees to comply with the feed withdrawal program, as outlined on specified exhibit. Seller shall utilize nutrition programs to produce hogs that are free of drug residues (as determined under a standard no more strict than the Charm Ill test). Seller shall cease from using antibiotics the number of days prior to delivering the hogs to buyer hereunder as set forth on specified exhibit. Seller agrees to comply with the clean bin verification protocol, as outlined in specified exhibit.

* Facilitator shall ensure that the sellers use a buyer approved feeding program and shall allow buyer a reasonable opportunity upon prior written notice to inspect its hogs and facilities.

* Seller shall utilize feedstuffs known to produce hogs of a quality desirable to buyer. Seller agrees to adhere to buyer's nutritional guidelines as found in specified schedule and subject to change. Buyer reserves the right: (1) upon at least 5 business days' notice, to have such feedstuffs or rations thereof reformulated in the event buyer determines in its sole discretion that seller's hogs are of substandard quality for buyer's intended use; and (2) to audit compliance with those feedstuff guidelines.

* Seller shall utilize feedstuffs known to produce hogs of desirable quality to buyer. Buyer reserves the right to require seller to cause such feedstuffs or rations thereof to be reformulated in the event buyer determines, in its sole discretion, seller's hogs are of substandard quality, are not fit for buyer's intended use or otherwise are not in compliance with the terms of this agreement. Buyer may preclude the use of feed additives, such as ractopamine, in its discretion, whereupon seller shall not use such additives and shall certify to buyer that such additive is not being used. At the time of this agreement, buyer requires ractopamine not be used.

* A finishing ration will be collected by the third party auditor annually.

* If pork quality issues are identified, buyer/facilitator may request, and seller shall provide upon such request, the written nutrition plan being used by such seller.

* Buyer acknowledges that seller currently uses feed additives or substances, including beta agonists, high oil grains, etc., that are generally accepted in the industry. If issues are identified at the buyer's plants concerning the quality of seller's hogs, Seller shall provide upon buyer's request the written nutrition plan then being used by seller. In the event buyer identifies specific feed additives or substances used by seller that may be detrimental to hog quality, meat quality or buyer's ability to market or merchandise pork products, seller shall discontinue the use of such substances, or any other similar substances, if they adversely affect buyer's processing of hogs or marketing of pork products, all as determined in buyer's reasonable discretion, provided that such restrictions are (i) applied to and adopted by the sellers of a majority of the hogs purchased by buyer from sellers who (A) are not controlled by or affiliated with buyer and (B) do not receive any incentive or special payment based on the pH and/or Iodine values, and (ii) reasonably acceptable verification of such application and adoption is provided to seller.

* Seller agrees to purchase their swine nutritional products from facilitator at standard pricing.

* In the event that the hogs fail to meet any of the specifications in this agreement, buyer may make a written request that seller modify its nutrition plan (e.g., to limit the use of DDGS, bakery byproducts, wheat mids, etc.); provided, however, that the modified plan does not adversely affect seller's ability to competitively produce hogs in accordance with the specifications of this agreement.

* Seller agrees to not utilize DDGS in its last two finishing diet rations (approximately from 200 pounds live-weight to finish) without consent of buyer, which consent will not be unreasonably withheld.

* Seller shall not use dried distillers grain in the finishing ration without buyer approval.

* Additionally, seller agrees to provide nutrient specifications describing all ingredients including distiller's dried grains with solubles ("DDGS"). Seller shall formulate all diets to an estimated Carcass Fat IV specification of a maximum of "72", as such term is commonly understood. May test carcasses from time-to-time to assess IV value and will, to the extent it deems necessary, provide nutritional guidance that seller will reasonably agree to follow.

* Seller shall not use any feed items that may be detrimental to hog quality, meat quality, or buyer's ability to market or merchandise pork products. If pork quality issues are identified at the plant, buyer may request, and seller shall provide upon such request, the written nutrition plan being used by seller. Seller and buyer agree to work together in good faith to resolve any nutrition plan issues that may arise during the term of this agreement.

* See Schedule 238

* Seller agrees to use for hog production a nutritional program that will produce carcasses that equal or exceed the average carcass characteristics, as defined by the carcass evaluation program at the time of delivery, of all carcasses delivered to buyer.

* Nutrition standards shall mean the standards and requirements set forth on specified exhibit attached hereto and incorporated herein by this reference, which may be changed from time to time by buyer. In order to ensure uniformity in the final product, a certain level of nutritional consistency must be met during the feeding process. Buyer expects the nutritional choices seller makes will be consistent with industry standards. No meat and bone meal may be used except porcine (pork) meat and bone meal. Additionally, all feed medications must be fed in accordance with the PQA Plus requirements. Special energy density and fat source requirement: Fat firmness and color are to be preserved through limiting the sources of dietary fat to choice white grease and beef tallow (other sources of fat must be approved by buyer) from 150 pounds of body weight and greater. During the early phase of growth, vegetable oils may be utilized. Overall, pork carcass fat quality is affected by source and level of fat. Therefore, in addition to the above guidelines, average carcass fat iodine value (a measurement of fat saturation), as measured at a location just adjacent to the manubrium of the carcass (roughly the posterior end of sternum or brisket bone), must be maintained at 72 or lower. Ractopamine Restriction: Ractopamine must not be included in the feed used in the production of seller's hogs. This restriction on the use of ractopamine shall continue indefinitely unless buyer, at buyer's option, notifies seller that seller may include ractopamine in the feed used in the production of seller's hogs. After the restriction on the use of ractopamine has been removed by buyer, buyer shall have the option to reinstate the restriction on the use of ractopamine by notifying seller at least forty-two (42) days in advance that ractopamine must not be included in the feed used in the production of seller's hogs. During any period of time when buyer has restricted seller from including ractopamine in the feed used in the production of seller's hogs, seller shall comply with any commercially reasonable requests by buyer to document, verify, or certify that seller's hogs are free from any ractopamine residues. Seller acknowledges and understands that buyer will conduct routine and random sampling to determine the presence of Ractopamine, and if found, seller agrees that there could be deductions from the purchase price an amount equal to any increase in cost resulting from the increased sampling testing to assess the hogs' ractopamine-free status.

* The contracted auditor and the Executive Director can approve a feed source during a third party audit if they determine it meets program criteria.

* Seller agrees to comply with the nutrition standards, and to otherwise follow a hog’s nutrition program that will produce hogs that are free of violative drug residues. In addition, seller agrees to comply with the feed withdrawal program prior to delivering the hogs to buyer.

* Nutrition Standards shall mean the standards and requirements set forth on specified exhibit and incorporated herein by this reference, which may be changed from time to time by buyer.

* Pigs will only be fed high quality feeds from the time they are born (mother's milk or milk replacement) through the growing and finishing phases of production.

* No meat and bone meal may be used except porcine (pork) meat and bone meal. Additionally, all feed medications must be fed in accordance with the antibiotic withdrawal program and the PQA Plus requirements. Fat firmness and color are to be preserved through limiting the sources of dietary fat to choice white grease and beef tallow (other sources of fat must be approved by buyer) from 150 pounds of body weight and greater. During the early phase of growth, vegetable oils may be utilized. Overall, pork carcass fat quality is affected by source and level of fat. Therefore, in addition to the above guidelines, average carcass belly fat iodine value (a measurement of fat saturation) must be maintained at 72 or lower. Ractopamine must not be included in the feed used in the production of seller's hogs. This restriction on the use of Ractopamine shall continue indefinitely unless buyer, at buyer's option, notifies seller that seller may include Ractopamine in the feed used in the production of seller's hogs. After the restriction on the use of Ractopamine has been removed by buyer, buyer shall have the option to reinstate the restriction on the use of Ractopamine by notifying seller at least forty-two (42) days in advance that Ractopamine must not be included in the feed used in the production of seller's hogs. During any period of time when buyer has restricted seller from including Ractopamine in the feed used in the production of seller's market seine, seller shall comply with any commercially reasonable requests by buyer to document, verify, or certify that seller's hogs are free from any Ractopamine residues

* Seller shall utilize feedstuffs known to produce hogs of desirable quality to buyer. Buyer reserves the right to require seller to cause such feedstuffs or rations thereof to be reformulated in the event buyer determines in its sole discretion that seller's hogs are of substandard quality, are not fit for buyer's intended use or otherwise are not in compliance with the terms of this agreement. Buyer may preclude the use of feed additives, such as ractopamine, in its discretion, whereupon seller intended use or otherwise are not in compliance with the terms of this agreement. Buyer may preclude the use of feed additives, such as ractopamine, in its discretion, whereupon seller shall not use such additives and shall certify to buyer that such additive is not being used. In the event any of the hogs supplied by seller to buyer hereunder, regardless of whether they are produced in accordance with an approved genetics program and/or fed feedstuffs which are not rejected by buyer, yield a poor quality meat which is not saleable at buyer's customary market prices, then the seller shall reimburse buyer for all losses resulting therefrom, and the buyer shall have a right to offset against any amounts payable to seller hereunder the full amount of such losses.

* No reclaimed restaurant fats or oils will be used.

Quality/Weight - Out Hogs and Off Quality

* Non-deliverable live hogs and carcasses will include but not be limited to hogs that are crippled, ruptured, emaciated, have abscesses, injection sites or fail to fall within U.S.D.A. tolerances for sulfa and/or other drug residue.

* All qualifying hogs shall be free of the following defects: abscesses, scars; rupture; uncastrated males; freshly castrated; fresh cut or unhealed wound; any defect that would result in a downgrade of the animal's carcass.

* Non-qualifying hogs shall mean all barrows and gilts that are not market hogs. Included in non-qualifying hogs are those hogs sorted off on a live weight basis weighing less than 225 pounds or more than 350 pounds.

* Hogs shall be of acceptable size, weight, and type as determined by buyer. Hogs determined by buyer to be of unacceptable size, type, or quality may, in buyer's discretion, be refused by buyer, purchased at a reduced price, or sorted and transported to another slaughter market at seller's sole cost and expense.

Swine Packer Marketing Contract Summary – National Other Provisions

* Buyer shall not be required to accept any hog which meets the definition of either an ambulatory disabled livestock or a non-ambulatory disabled livestock, as such terms are defined under Directives issued by USDA's Food Safety and Inspection Service.

* If seller produces (i) Hog in excess of this quantity or (ii) hogs which do not meet the standards (as hereinafter defined), then buyer will not be required to purchase such hogs. If buyer agrees to purchase such hogs, it shall pay for them at the specified price subject to any premiums or discounts in accordance with the carcass merit program. If buyer agrees to accept out hogs, it shall pay for out hogs at a price determined by buyer and such out hogs shall not be counted towards satisfaction of the volume requirement set forth in specified section.

* Any animal delivered that is, or becomes, non-ambulatory prior to slaughter will be valued at 75 of the base price. The lot average weight will be used to calculate the base price adjustment for non-ambulatory animals.

* If buyer agrees to accept out hogs, it shall pay for out hogs at a price determined by buyer and such out hogs shall not be included in the volume requirement set forth above.

* All hogs are purchased subject to passing inspection by the USDA. With deductions to the price for all carcasses or carcass parts that are condemned or not unconditionally approved by the USDA inspectors.

* Excessively heavy or light hogs, or hogs of unacceptable quality for processing at buyer's facility as determined by buyer, will be sorted and sent to an alternative market at seller’s expense.

* As set forth in buyer's carcass buying program, adjustments for (i) costs incurred by buyer for disposing of dead hogs, or (ii) reduction in the price paid to seller for fatigued or injured hogs and non-harvestable hogs.

* In the event that seller delivers hogs that fail to conform to the specifications and quality required of a hog under specified paragraph of this agreement, then buyer may either reject or accept any non-conforming hogs. If buyer agrees to purchase non-conforming hogs, the price paid for such non-conforming hogs shall be a price determined by buyer that reflects the value to buyer of such hogs. Further, any non-conforming hogs purchased by buyer shall not be counted towards the minimum quantity required to be delivered by seller. In the event that buyer pays the purchase price for any non-conforming hogs, buyer, at its option, may deduct any overpayment against current and future amounts owed by buyer to seller under this agreement.

* Buyer shall receive a discount against the market value of the hogs in the amount of ten (10) cents per pound for crippled hogs purchased hereunder.

* If any of the above procedures are not followed or an unusual circumstance presents itself immediately contact your program coordinator. The program coordinator will complete a non-conformance report if the situation requires. When marketing the non-conforming pigs to buyer, the site manager/supervisor must clearly identify the non-conforming pigs and communicate such to the loading crew and/or trucker. When marketing the non-conforming pigs to buyer, the site manager/supervisor must complete a program pig’s form and record the number of non-conforming pigs on that load and how they are clearly identified or separated. When marketing non-conforming pigs to a cull or other market, keep the shipping document as evidence of non-conforming is removal.

* Lame, crippled or immobile hogs classified as subject by buyer shall not be acceptable.

Swine Packer Marketing Contract Summary – National Other Provisions

* All hogs delivered to buyer under this agreement are purchased subject to passing inspection by the United States Department of Agriculture with deductions and compensation for carcasses and carcass parts which are condemned by the USDA inspectors. In the event a carcass or carcass part fails to pass USDA inspection, the resulting loss therefore shall fall entirely upon the affected seller from whom the rejected carcass or carcass part originated. Any condemnation must be explained and documented on the settlement sheets.

* The hogs shall not have had any diseases which result in additional handling of the carcasses and/or decreased value or yield of the carcasses, as determined by buyer. Diseases shall include, but not be limited to the following: pneumonia, peritonitis, jaundice, pericardia, or arthritis. Additional handling of the carcasses and/or decreased value or yield of the carcasses shall include, but not be limited to, the following: trim loss above normal, down-time on the chain or rail, or damage or loss to portions of the carcass (e.g., ribs, belly, loins, etc.).

* Out hogs means bred females, sows, partial or non castrates; hogs with ruptures, open wounds, externally apparent abscesses, or scrotal hernias; hogs which are excessively thin, sick, Injured (Including, but not limited to cuts, bruising, broken or injured legs), or are outside the then-In-effect buyer acceptable weight range, or hogs which contain any broken needles or other foreign objects, display signs of illness (Including, but not limited to erysipelas, pneumonia, etc.), or display visible skin blemishes (Including, but not limited to insect bites, mange, etc.), or any other condition which, In buyer's sole discretion, renders the hog unfit for a high speed kill operation.

* No payment for condemned hogs. This is deducted from the seller's check.

* In addition, buyer shall have the option, but shall have no obligation, to purchase any live nonqualifying hogs, reflecting the current market value for such hogs as determined by buyer.

* Buyer asks for, and seller agrees to, consideration on bidding, or establishing a buying relationship on sows, boars and off quality hogs beings sold for slaughter.

* There will be no bad ruptured pigs or intact boars.

* If seller brings any hogs to the delivery location that do not meet the above requirements, they will be handled according to the following procedures: Seller will be assessed the costs incurred by buyer for disposing of any dead hogs that are delivered by seller to the delivery location. These costs will be deducted from the total price to be paid to seller. Please see buyer's carcass buying program regarding dead hogs, which policy may be changed in buyer's sole discretion by providing written notice to seller. Fatigued or injured animals will be paid based on buyer's carcass buying program regarding fatigued or injured hogs, which policy may be changed in buyer's sole discretion by providing written notice to seller. Non-harvestable hogs are live hogs that do not meet buyer or USDA's requirements set forth in specified section. Non-harvestable hogs must be segregated from all other hogs on any load brought to the delivery location. Non-harvestable hogs will be paid based on buyer's carcass buying program regarding non-harvestable hogs. Please see buyer's carcass buying program regarding non-harvestable hogs, which policy may be changed in buyer's sole discretion by providing written notice to seller.

* Any additional miscellaneous hogs such as roaster, sows, and boars as may be agreed upon and confirmed by written purchase order from buyer to seller.

Swine Packer Marketing Contract Summary – National Other Provisions

* Buyer shall receive a credit for hogs condemned on the kill floor or condemned following purchase subject to USDA approval in an amount equal to the market value multiplied by the average weight of the hogs in the truckload in which the condemned animal was delivered to buyer.

* Notwithstanding any other provision of this agreement to the contrary, at any time buyer refuses to accept delivery or fails to pay for hogs delivered under this agreement, seller shall have the right to sell those hogs on the open market to a third party.

* Defect or defects shall mean any hogs that is not acceptable as a hogs hereunder because such animal is an uncastrated male, is a freshly castrated male, or has a condition which causes a downgrade or condemnation of such animal or carcass by buyer or the USDA inspector at the designated facility, including, but not limited to, a rupture, abscess, fresh cut, unhealed wound, an unacceptable drug residue level, or is dead or is otherwise unacceptable.

* Notwithstanding any other provision of this agreement, buyer shall have no obligation to purchase from seller any hogs that: (i) are dead at delivery to the designated facility; (ii) die prior to stunning, unless the cause of death of such hogs is a direct and primary result of being held at the designated facility for more than twenty-four (24) hours or the gross negligence by buyer; (iii) are condemned by buyer or a USDA official; (iv) do not meet USDA inspection standards; (v) constitute a defect; or (vi) are not otherwise free of chemicals, residues or other substance or diseases that prohibit, impair or affect processing, marketing or human consumption. All risk of loss of such dead, condemned or excluded hogs shall be borne solely by seller.

* Any hog that suffers from mange, arthritis, injection sights, abscesses, lame, down, (subject hogs), or other ailments or diseases such that the hog fails to conform to buyer's standards for premium slaughter animals, shall be considered a non-conforming hog. Boars and Sows shall be considered as a non-conforming hog. Buyer shall not be obligated under the terms of this agreement to purchase any non-conforming hog. Buyer may elect to purchase any non-conforming hog at the current market price paid for hogs suffering from the same or similar condition. Buyer may, alternatively, provide assistance to seller to arrange an alternative buyer for any non-conforming hog. Any loss or expense in the sale of a nonconforming hog shall be borne by seller.

* Any lot of hogs with an average lean percentage lower than 50 shall not count toward the minimum quantity of hogs required to be delivered by seller under this agreement. Any such lot of hogs shall have a specified price.

* No hogs shall be accepted for delivery pursuant to this agreement that weigh less than two hundred ten (210) pounds or that are crippled, lame, sick, overfilled, or otherwise unmerchantable.

* Hogs that are significantly light or heavy, or are otherwise unacceptable for processing at buyer's facility, may be rejected at buyer's discretion. Seller is responsible for any transport fees to remove unacceptable hogs.

* All condemned hogs shall be seller's responsibility and buyer shall make no payment to seller for any condemned hogs.

* Each hog must be alive and must pass USDA ante mortem inspections. Buyer shall not be required to accept any hog which meets the definition of either an ambulatory disabled livestock or a non-ambulatory disabled livestock, as such terms are defined under directives issued by USDA's Food Safety and Inspection Service. Hogs must be within USDA limits on all residues (e.g., sulfa, tetracyclines, penicillin, etc.).

* Before seller's delivery truck leaves the plant, buyer shall note on seller's bill(s) of lading any hogs arriving at the plant that are not market hogs. Any deficiencies in the hogs that cannot be immediately identified by buyer upon delivery but are identified thereafter may be charged back to seller after slaughter. [Buyer will not receive, handle or purchase cull hogs.]

* Buyer may, at its option, dispose of or sell any non-conforming hogs according to the then-current program, at buyer's plant, for disposal of non-conforming hogs; provided, however, that seller shall receive all net proceeds (after disposal or sale costs) and shall be responsible for all costs, resulting from such sale or disposal.

* Non-conforming Hogs: All hogs must be in sound marketable condition. Hogs and carcasses not accepted for delivery under this contract include, but are not limited to: (a) live hogs weighing below 220 or above 300 pounds.; (b) hogs that are crippled, ruptured, emaciated, have abscesses, arthritis, erysipelas, excessive mange, or will not pass USDA -MID ante-mortem inspection; or (c) carcasses that have internal abscesses, injection sites or fail to fall within the USDA tolerances for sulfa and other drug residue. Any death loss, condemnation, carcass trim or T.B. loss will be incurred by the seller. In addition, if a seller has excessive number of hogs that are undeliverable, the buyer may at its option void subsequent hog contracts and recover losses under the default provisions of those contracts.

* Buyer shall have the option to replace seller's current dead hog services, so long as buyer's price for such services are equal to or better than seller's current dead hog services.

* Hogs shall not exhibit any signs of lameness, respiratory disease, skin conditions, unhealed wounds, rectal prolapse, mange, or any other disease or condition which causes the hog to be unsuitable for processing as a hog, or that may be viewed as an animal welfare concern.

* All hogs culled from seller's production and breeding inventory shall be made available to buyer's preferred cull destination, provided that specified company's offering prices are equal to or better than other buyers of cull hogs (based upon written offers made to seller). Specified company shall have the option to meet or exceed any such prices after being presented the written documentation of such pricing.

* Animals delivered to the plant that have no value shall be assessed the posted rendering charge to seller. No value animals include emaciated, sick, injured or dead animals.

* Buyer cannot market meat from any livestock that present a sexual odor. If the new technology is used, non-surgically castrated males may be presented for slaughter with prior approval from buyer. In the event we accept these animals seller will be charged $.20/head to recover our cost for the removal of the sexual organs, as well as the cost of the testing procedures. Animals that are condemned for the presence of seminal vesicles or other evidence such as a sexual odor, shall be at the seller's expense.

* Buyer will not issue pay for intact males or males with one testicle.

* Seller shall incur any and all condemnation loss as diagnosed by the USDA veterinarian.

* Seller shall bear all responsibility for death loss, down hogs and condemnation.

* Notwithstanding any other provision of this agreement, buyer shall have no obligation to purchase from seller any excluded hogs as defined in the buyer program.

* All hogs are subject to discounts for defects as defined in buyer's weight and grade Hog payment program as may be modified from time to time.

* Carcasses marketed through the carcass premium program must be healthy and pass USDA inspection. Carcass and product losses due to condemnation will be the responsibility of the seller. Carcass defects such as abscesses, scar tissue, abscesses, tail bites, needle injection sites, insect bites, etc. will be trimmed from carcass as seller's loss.

Quality/Weight - Quality Improvements or Pork Quality Assurance

* Seller shall at its own expense at all times during the term of this agreement maintain, and diligently use its best efforts to ensure its contract finishers likewise maintain, compliance with the NPPC Environmental Assurance Program or such other program as buyer may hereinafter designate and the seller shall maintain, and seek to have said finishers maintain, the highest level of certification offered by the NPPC under the EA Program or such other designated program with respect to sow farms, nurseries, hog grow-out facilities and/or personnel qualifications. Notwithstanding seller's obligations hereunder, buyer acknowledges that seller shall not be held liable in the event seller's contract finishers fail to comply with the NPPC EA Program or such other program designated by buyer, if seller diligently used its best efforts to ensure that such finishers secured and maintained compliance therewith. Upon demand from buyer, seller shall supply buyer with a copy of the NPPC and/or EA Program or other program certificates(s) evidencing the NPPC and/or EA or other program level then maintained by seller and, to the extent available, its contract finishers.

* Seller shall at all times during the term of this agreement maintain compliance with the National Pork Board's Pork Quality Assurance Plus Programs and maintain the highest level of certification, including site status, offered by the NPB under the PQA Plus Program with respect to both its sow farm and hog grow-out facilities and/or personnel. Upon demand from buyer, seller shall supply buyer with a copy of the pertinent program certificates, evidencing the program level then maintained by seller.

* All sellers are required to participate in one facilitator continuing education program annually.

* Seller or its member organizations shall at all times during the term of this agreement maintain the highest level of certification offered by the National Pork Board under its Pork Quality Assurance Plus Program or offered under such other programs as buyer in its discretion may designate, with respect to both its sow farm and hog grow-out facilities and/or personnel. Upon demand from buyer, seller shall supply buyer with a copy of the pertinent program certificates, evidencing the program level then maintained by seller.

* Seller shall at all times during the term of this agreement maintain, and diligently use its best efforts to ensure its contract finishers likewise maintain, compliance with such programs as buyer may hereinafter designate and maintain, and seek to have said finishers maintain, the highest level of certification under those programs with respect to sow farms, nurseries, hog grow-out facilities and/or personnel qualifications. Notwithstanding seller's obligations hereunder, buyer acknowledges that seller shall not be held liable in the event seller's contract finishers fail to comply with the programs designated by buyer, if seller diligently used its best efforts to ensure that such finishers secured and maintained compliance therewith. Upon demand from buyer, seller shall supply buyer with a copy of the program certificate(s) evidencing the level then maintained by seller and, to the extent available, its contract finishers.

* Must provide GAP certification

* The purpose of the certification program offered and administered by buyer have influence over the health, quality, and residue status of hogs marketed to buyer. The program is simple and straightforward and represents sound management controls any good pork seller already has in place. It also used the farm veterinarian as a consultant in the herd health program for the swine enterprise. In this way the veterinarian can be used to certify that the plan is valid and being implemented. Simply put, the certification program follows PQA-Plus of the National Pork sellers Council Quality Assurance program: Sellers are-expected to comply with the requirements necessary to attain and maintain status in PQA-Plus program. This involves reading the NPPC PQA-Plus Manual. Seller shall have all locations site assessed and forward the expiration date and locations to buyer for documentation. Seller shall have all locations identified through the animal Premise ID program and maintain and supply buyer with updates and changes as they happen. Seller shall supply and maintain an active Food Safety Certification program with buyer. Before being fully certified, sellers must retain in their files a written copy of their vaccination program and their farm medical plan for feed additives, injectables, and water medications. In addition, the results of drug residue tests must be retained. These plans and. tests must be submitted to buyer upon request.

* Seller agrees to allow the common swine industry audit to be conducted by a third party auditor. Seller agrees to provide the third party auditor with access to the necessary records, documents, relevant information, buildings, facilities, caretakers, and animals to conduct the audit, provided that the third party auditor complies with seller's biosecurity requirements. The cost for the third party auditor to conduct the common swine industry audit shall be paid by buyer.

* Seller warrants that all sows sold to buyer shall: (i) be of good and merchantable quality; (ii) strictly adhere to all industry standards relating to seller's care, handling and delivery of sows; (iii) meet any specifications provided to seller in writing from time to time; (iv) not be (1) boners or under-nourished sows;(2) crippled, ruptured, arthritic, emaciated, lactating or pregnant, (3) unable to pass USDA inspection, or dead upon delivery at Buyer's plant, and (4) deemed condemnations at ante-mortem or post mortem inspections; (v) have documentation necessary to meet country of origin labeling requirements; (vi) be free from all liens and encumbrances and free from any conditions which could cause a lien to arise; and (vii) be safe for human consumption. Seller further warrants that the sows and seller's care, handling and delivery of sows shall comply with all applicable laws and in all material respects with all quality and safety standards as established by the U.S. Department of Agriculture, the U.S. Food and Drug Administration and any other applicable governmental agency. Seller also represents and warrants to buyer that seller is a merchant, as such term is defined in the Uniform Commercial Code, with respect to the sale of sows under this agreement.

* Seller shall comply with all requirements of the buyer including, but not limited to MCOOL (hogs must be born and raised in the USA), PQA Plus, standard industry best practices as defined by National Pork Board, and any FDA, FSIS, or USDA guidelines. The requirements for these programs are subject to change.

* Seller and its facilities must at all times be in material compliance with the Pork Quality Assurance Program (PQA/TQA Plus) and buyer's specified program. Seller must also follow the recommendations of any Common Swine Industry Audit(s) of its facilities.

* Maintain at least the highest quality assurance level in affect at any given time as set by the National Pork Board (currently PQA Plus).

* In addition to seller's obligation to meet the foregoing specifications, seller shall at all times be in compliance with all provisions of the then current Common Swine Industry Audit and all other applicable local and federal laws, rules, ordinances, and regulations. Seller acknowledges that it may be subject to a third party audit at any time during the term of the agreement.

* Seller and all of seller's employees who are involved in the transactions contemplated by this agreement must have and maintain a current pork quality assurance certification and follow humane animal handling procedures. All truckers used to transport the hogs must have and maintain a current trucker quality-assurance.

* Seller understands that buyer will only buy hogs from sellers who comply with buyer program.

* See Schedule 237

* All sellers are required to participate and maintain current certification in the National Pork Board seller Quality Assurance (PQA) Plus or equivalent program. Certificate must be on file with the facilitator.

* Seller shall at all times during the term of this agreement maintain compliance with all existing state and local environmental and swine welfare regulations. [Seller agrees to participate in any certification or auditing programs as deemed necessary by buyer. Seller shall comply with all of the American Humane Certified (AHC) standards, as may be modified from time to time, and will undergo audits as required to maintain this certification. Buyer will coordinate and be responsible for the cost of AHC audits. Failure to maintain American Humane Certification as required by buyer may result in termination of this agreement at the sole discretion of buyer.]

* OFAER assessment shall mean an assessment conducted in accordance with the On Farm Assessment and Environmental Review project as established by the America's Clean Water Foundation.

* Seller shall complete a PQA site assessment of seller's facilities no later than specified date.

* Seller shall follow industry approved animal welfare and humane handling procedures at all times during the production, transportation and delivery of the hogs. Seller and seller's production employees that work around pigs shall be PQA Plus (Pork Quality Assurance Plus) certified and TQA (Transport Quality Assurance) certified by the National Pork Board.

* In addition to seller's obligation to meet the foregoing specifications, seller shall, if requested by buyer, and upon mutual agreement of seller and buyer as to terms, implement programs to improve the quality of the hogs and/or buyer's ability to sell pork products produced from the hogs (e.g., a farm hazard analytical control point program, an ISO 9000 program, etc.); provided, however, that any such program does not adversely affect seller's ability to produce hogs in accordance with the specifications of this agreement.

* Seller and its trucker must abide by all USDA and buyer animal welfare policies, including buyer Trucker Policy for Animal Welfare and Handling, a copy of which is in specified exhibit.

* Hogs must comply with buyer's general requirements for purchase, such as: PQA Plus certification, born and raised in the USA, and acceptable feed ingredient use. All growers raising pigs for seller shall be PQA Plus certified.

* Seller must sign an affidavit that market hogs have never been fed any beta agonists. Seller must be PQA Plus certified and complete PQA Plus site assessments every three years for all production sites. Seller must comply with the production requirements listed in buyer's seller certification form.

* Each hog shall have been raised following animal welfare, animal husbandry and humane handling procedures that at all times meet the requirements of (i) PQA Plus (Pork Quality Assurance Plus), (ii) TQA (Transport Quality Assurance), (iii) the Common Swine Industry Audit (CSIA), (iv) any successor programs to PQA, TQA or CSIA of the National Pork Board and (v) all applicable federal, state and local laws, regulations and ordinances. Seller acknowledges that it may be subject to a third party audit at any time during the term of the agreement.

* See Schedule 289

* Seller's compliance with the specified program criteria and related payments are subject to confirmation of buyer by itself or third-party audit. Such audit may, in buyer discretion, include feed mills as well as farrowing and finishing facilities used to produce and grow specified program hogs.

* Seller must be a PQA-Plus and Site Assessed Producer in the Pork Quality Assurance Program and comply with the buyer hog certification program, a copy of which is attached hereto and incorporated herein by reference as specified exhibit.

* Seller is supervised by a licensed veterinarian and is on the Pork Quality Assurance Program at Level III.

* Requirements to ensure farms are under PQA+ certified management: Farm management is PQA+ certified to reduce the risk of food borne residues; Unit managers and/or supervisors must be PQA+ certified; A site is considered non-conforming and ineligible to supply program pigs to the system if the unit managers and/or supervisors aren't PQA+ certified; Records to be reviewed during evaluations: The PQA+ Certificate or similar wallet sized card and/or National Pork Board PQA website.

* Seller or its member organizations is responsible for following all industry best practices of Animal Welfare and Handling as determined by the National Pork Board. In addition, seller agrees to comply with any animal welfare or handling program implemented by buyer over the term of this agreement. Seller will allow buyer or its designated representative access to its facilities during normal business hours to conduct an on-site audit, as required.

* Each seller must be a PQA-Plus producer in the Pork Quality Assurance Program and comply with the buyer Food Safety Initiative Program, a copy of which is attached to, and incorporated in, this agreement by reference.

* Seller agrees to comply with any animal welfare or handling program implemented by buyer over the term of this agreement. All additional costs and expenditures as a result of compliance with this program will be negotiated and mutually agreed upon at a later time by both seller and buyer. Seller will allow buyer or its designated representative access to its facilities during normal business hours to conduct an on-site audit, as required.

* Seller shall have all sites registered with Premise I.D. and maintain Site Assessed status compliant with National Pork Boards certification program.

* Seller has received a copy of buyer's animal care quality assurance program. Seller agrees that seller is subject to the requirements of this program, and seller's delivery of hogs will fully comply with the specifications outlined in this program. Buyer will provide seller with 4-month advance notice of any future change to its quality assurance program, during which time seller must become fully compliant with revised specifications. Such future changes may include the establishment of, or change to, any quality program developed by any governmental agency, industry-accepted group (e.g., PQA Plus®, TQA), or by buyer.

* Seller agrees that upon execution hereof, it will use its best efforts to obtain certification pursuant to the Food Safety and Inspection Service Guideline Program for certifying pork intended for export to the European Union; which certification is for purposes of exporting pork products free of Beta Agonist, PST, Ractopamine or similar substances commonly known or referred to in the industry as Paylean Upon receipt of certification, and subject to the terms and conditions of specified section. Seller agrees to deliver, so long as it remains certified, no less than 50 of its weekly estimated hog deliveries, up to a maximum of specified number hogs per week, to buyer's specified plant which is buyer's plant that participates in the above-referenced certification program.

* Seller agrees to participate in and comply with PQA Plus or to be certified as a Level III participant in the National Pork Board's Pork Quality Assurance program. In addition, seller agrees to comply with other accepted industry food safety programs as reasonably required by seller from time to time.

* Seller will assure their operations are in compliance with the National Pork Board's PQA Certification Program and comply with buyer hog certification program, a copy of which is attached hereto and incorporated herein by reference as specified exhibit.

* The quality and type of hogs delivered will be of a quality and type required by buyer and will be produced in conformity with industry standards for animal care, welfare, handling procedures, feed, genetics, and nutrition. Seller will fully comply with buyer's prohibited drug usage and antibiotic withdrawal program". Detectable needles or needleless injection technology must be used. Hogs suspected of having a broken needle must have large red ear tags applied in each ear. Hogs delivered to buyer will be raised by sellers and their employees who are certified in PQA Plus and who have completed well-being site assessments on their farms by June 30, 2010, and will be transported by truck drivers who are TQA certified. If requested by a buyer pork customer in the event of a verifiable problem relating to PQA/TQA, then upon request by buyer, seller will provide copies of PQA Plus certificates, well-being site assessments, and TQA certificates to buyer relating to the specific seller or sellers.

* Seller agrees that each truck driver delivering Seller's hogs to buyer will comply with and maintain continuous certification in the National Pork Board's Transport Quality Assurance (TQA) Program.

* Seller agrees to comply with and be certified in the National Pork Board's Pork Quality Assurance Plus (PQA Plus) program. In addition, seller agrees to comply with other accepted industry food safety programs as reasonably required by buyer from time to time.

* Seller shall participate in the National Pork Board's objective on-site assessment of animal well-being and maintain PQA Plus site status for all production sites.

* PQA Plus shall mean the National Pork Board's Pork Quality Assurance Plus program.

* Seller agrees to abide by buyers then in effect animal welfare programs and policies during the term of this agreement. As determined in buyer's reasonable discretion, in the event that seller violates buyer's animal welfare program or policies, violates any municipal, state, or federal law relating to animal welfare, or otherwise becomes involved in an unfavorable situation involving animal welfare, buyer shall have the right to immediately suspend deliveries from seller's sites that are the subject of the Anima Welfare Incident pending further investigation by seller and buyer. Buyer may elect to further suspend deliveries from the seller's sites that are the subject of the Animal Welfare Incident until implementation of corrective actions by seller as agreed upon in writing by buyer and seller. Seller and buyer agree to cooperate and provide advance notice to each other prior to issuance of any statement related to an Animal Welfare Incident to the media or general public.

* Seller or its member organizations is responsible for following all industry best practices of animal welfare and handling as determined by the National Pork Board. In addition, seller agrees to comply with any animal welfare or third party verification program to be implemented by buyer over the term of this agreement. Buyer is in the process of finalizing its verification program for use by all suppliers of animals. Once finalized, both parties shall agree in writing to the terms of the verification program.

* All hogs have been produced, transferred and delivered in accordance with generally accepted industry standards for animal welfare and humane handling procedures. Seller and/or seller's production employees that work around hogs are Pork Quality Assurance Plus (or the then-applicable pork quality assurance program certified by the National Pork Board) certified and Transport Quality Assurance (or the then applicable transport quality assurance program certified by the National Pork Board) certified, as applicable.

* Seller and buyer will work cooperatively to make quality improvements that will yield financially enhancing benefits in a way that both parties benefit from the improvements. If a change is requested by either party that is financially neutral to the other, they will use best efforts to accommodate for the benefit of the other party.

* Seller agrees that seller is subject to the requirements of the Quality Assurance Program and the Animal Care & Handling Program. Seller also agrees to the following: (1) To maintain certification of the National Pork Board's Pork Quality Assurance Plus Program and Transport Quality Assurance® Program, a Hazard Analysis and Critical Control Points (HACCP) program, or the highest Level of such PQA Program and/or TQA Program established in the future within specified months of the program change establishing such level. This includes the site assessment in the current PQA Plus Program for each location involved in supplying hogs to buyer, as well as any future assessment/third party audit that may be required through the program or by buyer; (2) To comply with any HACCP or quality program established by buyer or any governmental agency, or by any industry-accepted group, and any change in such a program, within specified months of the establishment of the program or the change. (3) Buyer has announced a change to the Quality Assurance Program and Animal Care & Handling Program, which change will go into effect in approximately specified date. Seller agrees that it will comply with the revised program, called Farm Animal Care and Treatment Specifications (FACTS), within specified months of receiving a written notice from buyer advising of the commencement date for the new program.

* Seller is expected to be able to validate the parameters outlined in the buyer supplier program. The seller must provide documentation to buyer to be approved for the program. A form of documentation may include the items listed below as a method to validate a supplier, but not limited to these methods: certificates of conformance or production records for genetics or nutrition; results or certificates from third party audits; signed seller affidavits; providing records related to the parameters of the buyer suppler program.

* Seller shall produce hogs in facilities owned and managed by seller in accordance with buyer's process verification program and standards. The current program specifies the seller's facilities are managed by people certified under the Pork Board's Pork Quality Assurance Plus certificate or equivalent; livestock are transported by people certified under the Pork Board's Trucker Quality Assurance; and seller must maintain pig source records in compliance with the Country of Origin Labeling law. Buyer reserves the right to revise and modify these standards at any time and from time to time and shall give seller 90 days to comply with any revised or new standards, except that if seller, after using commercially reasonable efforts to comply, cannot comply within such 90 days, seller shall have such additional time as may reasonably necessary to comply so long as seller continues to use commercially reasonable efforts. Seller shall notify buyer of any problems or conditions that my affect seller's ability to continue to comply with the process verification program and standards.

* When requested by buyer, seller agrees to allow the National Pork Board's common industry animal welfare audit to be conducted. Seller agrees to provide the auditor with access to the necessary records, documents, relevant information, buildings, facilities, caretakers, and animals to conduct the audit, provided that the auditor complies with seller's biosecurity requirements. The cost for the auditor to conduct the National Pork Board's common industry animal welfare audit shall be paid by buyer.

* Management representative of supplier system responsible for the above procedures must be trained and the training recorded on the Training Log (see your PVP coordinator) or an equivalent form.

* Seller agrees that each truck driver delivering hogs to buyer hereunder shall be a certified quality trucker, as so designated by the National Pork Board. Seller agrees to cooperate with buyer in complying with country of origin labeling requirements by providing information on a timely basis and as needed by buyer and required by legislation to meet such requirements.

* Seller must follow an animal welfare and humane handling procedures program at all times during the production, transportation and delivery of the Market Hogs. The aforementioned program shall meet the minimum requirements of Pork Quality Assurance Plus and Transport Quality Assurance or successor programs of the National Pork Board. Seller and Seller's production employees that work around pigs must be PQA Plus certified and TQA certified by the National Pork Board. Seller agrees to allow third party audits of seller's animal welfare program.

* Specified process verifies points: All pigs are traceable to farm of origin; All pigs are born and raised in the United States of America; Pigs are managed using an on-farm food safety based control system (PQA+); Use of an animal handling program at plants, transport to plants (TQA) and PQA+ Site Status, good production practice #10, provide proper swine care; ISO 14001 certificate of registration for environmental management systems at plants; Meat quality evaluations are conducted on at plants; Pigs used to produce product for the Russian Federation per ARC1030V follow a minimum withdrawal time of 14 days for tetracycline products (or label withdrawal if longer), and are subject to testing for residues from this compound.

* Seller shall produce hogs in facilities owned or managed by seller in accordance with buyer's on-farm standards. Buyer reserves the right to revise and modify these standards at any time and from time to time and shall give seller 90 days to comply with any revised or new standards. If the seller, after using commercially reasonable efforts to comply, cannot comply within such 90 days, seller shall have such additional time as may reasonably be necessary to comply so long as seller continues to use commercially reasonable efforts. Seller shall notify buyer of any problems or conditions that may affect seller's ability to continue to comply with these standards. Upon reasonable written notice, buyer may require the seller to participate in programs with

additional farm standards, such as USDA Process Verified Program (PVP) or others specific to certain export market requirements.

* Seller will comply with buyer's HACCP, Process Verified Program (PVP) and successful completion of National Pork Board PQA Plus program.

* All production decisions including but not limited to genetics, feed rations, health practices, contract seller selection and management, and production processes will be made solely by seller. Hogs raised for delivery by seller under this agreement will, at all times during the term be on the Pork Quality Assurance Program and must be at Level III of the Pork Quality Assurance Program. If the National Pork Board, or its successors, creates a level higher than Level III, the seller's production facilities will attain such higher level within a reasonable period of time. In addition, all hogs delivered by seller under this agreement will be handled and delivered pursuant to the National Pork Board's Trucker Quality Assurance program.

* Seller shall be on the Pork Quality Assurance Program of National Pork Producers; shall be at Level III or working diligently to obtain Level III; and shall be on buyer's HACCP Program or a Canadian equivalent satisfactory to buyer.

* Buyer has established the following Quality Assurance Program, which includes recommended Animal Care and Handling Program requirements. Every seller supplying hogs, whether by written contract, verbal agreement, open market purchases, or negotiated purchases, to buyer is subject to the requirements of these programs. Buyer's purchases of hogs from any seller are expressly contingent upon that seller's compliance with these programs. A. Every seller must demonstrate to buyer that all of its employees who handle hogs are certified in National Pork Board's Pork Quality Assurance Plus® Program and Transport Quality Assurance® Program and will maintain certification during all time periods that seller supplies hogs to buyer. Each seller must certify to buyer that they are complying with this requirement, using the attached certification form. B. All of seller's sites raising hogs to be supplied to buyer must achieve Site Status, as defined by the PQA Plus Program, by the later of (i) specified date, or (ii) within 90 days of first delivering hogs to buyer. C. Every seller that purchases weaned pigs or feeder pigs is responsible for ensuring that the weaned pig and feeder pig suppliers have established and maintain appropriate quality assurance programs, which includes an animal care & handling program.

* The undersigned seller hereby certifies to buyer that: 1. All of seller's employees who handle hogs have been certified in National Pork Board's Pork Quality Assurance Plus Program and Transport Quality Assurance Program; 2. Seller will ensure that all new employees who handle hogs will be promptly certified in PQA Plus and TQA; 3. Seller will ensure that all employees who handle hogs will maintain certification during all time periods that seller supplies hogs to buyer; and 4. All of seller's sites raising hogs to be supplied to buyer have achieved, by the later of (i) specified date or (ii) within 90 days of first delivering hogs to buyer, Site Status as defined by the PQA Plus Program, and that all sites will maintain Site Status during all time periods that seller supplies hogs to buyer.

* Compliance with buyer’s third party animal welfare audits. Components of this program include: a. One third of all sites must be audited in a single year. All sites will be audited once every 3 years. A site is defined as any sow unit, multiplier, nursery, or finisher which animals that are destined for processing at buyer reside at during their life span. Sellers must make their best efforts to certify transitional sites that are in their system for less than one year; b. Audits must be performed by an approved third party as deemed by buyer's animal health and welfare manager. c. Proof of audits must be delivered to buyer's hog procurement manager by December 31st of

the then current year. d. Seller shall commit to the establishment of a zero tolerance policy regarding any willful abuse of animals. Observation of personnel engaging in these types of actions must result in immediate disciplinary action, up to and possibly including termination. e. All sellers will be given until December 31, 2013 to comply with the initial year's audit requirements.

* Seller must be PQA Plus certified and complete PQA plus Site Assessments every three years for all production sites.

* Seller shall have a current up to date PQA site assessment of seller's facilities.

* The purpose of this manual is to describe the methods for production of animals raised for the buyer process verified program. This procedure refers to all animal supply systems included in the scope of the process verified program. Farm management shall be responsible to ensure that all animals associated with the process verified program meet the requirements of the program. Buyer is committed to producing the highest quality meat products supported by a quality management system. To achieve this, the company maintains close alliances with suppliers who share buyer's commitment to continuous improvement. At buyer, quality is a critical aspect of everything we do.

* Each seller must comply with buyer's specified program or other similar program adopted by buyer, and that if said seller does not so comply, agreement to purchase hogs from said seller may be immediately terminated without right to cure.

* Notwithstanding any other provision of this agreement, buyer may request that seller modify or improve production processes based on product marketing considerations, including, but not limited to, those relating to animal welfare, environmental safety, food safety, pork quality, nutrition, feed withdrawal and drug usage.

* Seller has complied with all state and federal laws and regulations that apply to the disposal of all waste and dead animals.

* Seller agrees to comply with the animal welfare Common Industry Audit and utilize a third party to conduct the audit within ninety (90) days of the beginning of the initial term and then annually thereafter. Seller agrees to provide a copy of all current and past audit results to buyer within five (5) days of buyer's request.

* Seller has complied with the requirement that each truck driver delivering hogs to buyer is certified in the National Pork Board's Transport Quality Assurance (TQA) Program.

* Seller agrees to comply with, and be certified in, the National Pork Board's Pork Quality Assurance Plus program. Seller shall participate in the National Pork Board's objective on-site assessment of animal well-being and achieve PQA Plus Site Status at least once every three years for all facilities. In addition, seller agrees to comply with other accepted industry food safety programs as reasonably required by buyer from time to time.

* Seller has completed the PQA Plus Site Assessments has achieved PQA Plus Site status at least once every three years on all production sites.

* Seller and all caretakers are PQA Plus Certified and seller has complied with the PQA Plus requirements.

* Seller acknowledges that buyer maintains an audit program to monitor seller's practices. Seller agrees that it will comply with such program and will permit (including any designated third-party entity hired to perform production audits) a reasonable number of telephone interviews and visits to seller's facilities during normal operating hours to review, observe and monitor seller's practices. Such interviews and visits will not unreasonably interfere with the operation of such facilities, and in conducting such visits will follow standard industry practices to maintain bio-security. Seller agrees to provide on request information relating to its production management practices. Seller understands that if its production operations do not conform with appropriate production, quality and management practices under the program, or if there are any violations of animal welfare laws, that may (i) require the seller to cure such deficiencies, (ii) suspend deliveries of hogs if deficiency not cured; or (iii) terminate this agreement for a deficiency or failure to cure.

* Seller acknowledges that buyer maintains an audit program known as specified program, to monitor seller's production management practices. Specified program standards currently adhere to the Common Swine Industry Audit standards (the applicable welfare standards). The applicable welfare standards may be updated from time to time. Seller agrees that it will use its best efforts to comply with such program during the term in the production of the hogs to be sold to under this agreement. Seller agrees that it will permit (including any designated third party entity hired to perform production audits) a reasonable number of telephone interviews and visits to facilities during normal operating hours to review, observe and monitor seller's practices. Such interviews and visits will not unreasonably interfere with the operation of such facilities, and in conducting such visits will follow seller's customary written bio-security protocols. Seller agrees to provide upon request reasonable information relating to its production management practices. Seller understands that if its production management practices do not substantially conform with appropriate production management practices that are reviewed by audit program, or if there are any proven violations of applicable animal welfare laws, may (i) require the seller to cure such deficiency or deficiencies, (ii) suspend deliveries of hogs if such deficiency(ies) are not cured; or (iii) terminate this agreement for a failure to cure such deficiency(ies).

* Seller shall comply with the animal handling practices. Upon buyer's request, seller shall provide buyer with written evidence of compliance with the animal handling practices. Seller shall also participate in the National Pork Board's objective on-site assessment of animal well-being and maintain PQA Plus site status for all production sites.

* Seller agrees to comply with and be certified in the National Pork Board's Pork Quality Assurance Plus (PQA Plus) program. Seller employees involved in animal husbandry will all be PQA Plus certified and will keep their certifications updated. In addition, seller agrees to comply with other accepted industry food safety programs as reasonably required by buyer from time to time.

* Seller has complied with the Animal Handling Practices as listed in agreement.

* All hogs sold to buyer hereunder are of merchantable quality, as that term is defined in the specified state Uniform Commercial Code. All hogs sold to buyer hereunder are fit for the particular purpose for which they are intended to be used by buyer.

Quality/Weight - Target Weights

* The base meat price applies to butcher carcasses weighting 172 to 209 pounds. Carcasses that do not fall within the optimum range will be priced according to the schedule of carcass weight discounts at time of

slaughter, and adjusted by grade or lean percentage differentials. In addition, increases/decreases will be made to the base meat price for other adjustments in effect at the time of slaughter, which will include, but not be limited to, premiums and discounts for country of origin.

* Carcass weights of hogs shall not be more than 232.9 lbs. or less than 160 lbs. These are hot carcass weights as recorded at buyer's facility at the weigh station on the slaughter line. On a monthly basis, up to 2 of the hogs processed during the month are permitted to be more than 232.9 lbs. and up to 2 of the hogs processed during the month are permitted to be less than 160 lbs. without penalty. At the end of each month during the term a count will be taken by buyer for each category. For each heavyweight above the 2 limit, a price reduction of $20/hd. will be applied; and for each lightweight above the 2 limit a price reduction of $10/hd. will be applied. Accrued price reductions will be applied to a lot payment otherwise due seller in the next succeeding calendar month.

* Seller shall raise and sell to buyer the quantity of merchantable market weight (carcass weight from 164 to 216 pounds) hogs listed on specified schedule.

* Buyer shall not be required to accept any hog which has a live weight of less than 220/230 pounds or more than 300/320 pounds.

* Average weight requirement shall mean (i) a weekly average weight for all hogs delivered by seller during each calendar week between 191 pounds and 224 pounds, on a carcass weight basis at the buyer's facility and (ii) an average annual weight for all hogs delivered by seller during the delivery year of no less than 203 pounds and no more than 220 pounds.

* Seller shall use its best efforts to achieve a target delivered live weight of approximately 270 pounds per hogs (203 pounds carcass weight). The load average live weight per market hog for all loads delivered to buyer by seller in any calendar week consisting of at least four delivery days shall average 250 to 290 pounds live weight per market hog. Each market hog shall not have a live weight of less than 230 pounds or more than 310 pounds. In the event the foregoing average is: (a) below 250 pounds or (b) above 290 pounds an any such week, then buyer's sole and exclusive remedy for such nonconformance shall be that seller will pay buyer the applicable penalty fee. For any week in which the average is below 250 pounds, the penalty fee will be the amount by which the base price paid for market hogs in any individual load with an average weight per market hog below 250 pounds exceeded the applicable market price that would have been paid for such market hogs if the floor price did not apply. For any week in which the average is above 290 pounds, the penalty fee will be the amount by which the base price paid for market hogs in any individual load with an average weight per market hog above 290 pounds exceeded the applicable market price that would have been paid for such market hogs if the floor price did not apply.

* Each load shall average 250 to 290 pounds live weight. Loads that do not fall within this range will not apply towards the quantity requirements specified in specified section and will be discounted according to buyer's then current discount schedule. For the purposes of this agreement, load shall mean the quantity of hogs contained in a vehicle or trailer, which is used by seller to ship and deliver the hogs to buyer; provided, however, in no event shall a load exceed the quantity that may fill a standard semi-trailer used for the purpose of transporting hogs.

* Average weight requirement shall mean an average annual weight for all hogs delivered by seller during the delivery year of no less than 205 pounds and no more than 224 pounds, on a carcass weight basis at the

designated facility.

* Carcass weight for purposes of this agreement shall mean the net weight of the hog carcass after passing USDA inspection prior to chilling.

* Seller shall use its best efforts to produce hogs with an average annual live weight of 270 pounds each.

* During each delivery year, seller shall meet the average weight requirement.

* Hot carcass weight means the weight of the hog after the completion of kill floor operations but prior to commencement of chilling operations.

* Seller shall use its best efforts to deliver hogs that produce carcass weights of between 185 to 239 pounds. Buyer shall accept delivery, in accordance with the terms of this agreement, of hogs that have carcass weights of between 177 and 244 pounds, unless such hogs otherwise fail to meet one of the specifications and quality standards in this paragraph.

* Seller shall refer to all barrows and gilts produced by seller or any seller affiliate within the specified state for slaughter which have obtained a weight at the date of sale between one hundred ninety (190) and two hundred fifty (250) pounds, average weight per truck load.

* During each quarter of the year, the average carcass weight for all hogs delivered by seller shall be no less than 203 pounds and no more than 218 pounds. If the quarterly average carcass weight falls outside of this range, then seller agrees to pay to buyer the following amount per head for each pound or fraction that the quarterly average falls outside of this range times the number of hogs delivered during the quarter.

* Seller shall use its best effort to achieve live weight of [255-280] pounds per hog. Each load shall average [240-280] to [270 -300] pounds live weight per hog. Each hog shall not have a live weight of less than [220-230] pounds or more than [290-320] pounds. These weights (i.e., live weight per hog, average live weight per load and minimum and maximum live weight per hog) may be revised by buyer from time to time, in the event that buyer changes its standard weights. Buyer shall give seller thirty (30) days written notice prior to any such revision.

* The parties expect that hogs delivered by seller will be between 174 and 230 pounds. Any hogs with carcass weights less than 174 pounds or more than 230 will be considered off weight hogs and will be assessed a weight discount pursuant to specified section.

* The acceptable hot carcass weight (HCW) range for hogs is 10 pounds to 230 pounds

* During each calendar month of the term, seller shall meet the average weight requirement. Buyer shall have the right to audit the average weight requirement on a retroactive basis. Without limiting any other remedies under specified paragraph, with respect to any failure by seller to comply with the average weight requirement during any calendar month, buyer may, at its option, require seller to pay to buyer an amount equal to $0.40 per head for each pound or fraction thereof that seller's hog average carcass weight is less than 205 pounds or more than 224 pounds during the calendar month, times the number of hogs delivered by seller during the calendar month.

* Each load shall average 250 to 300 pounds live weight. Loads that do not fall within this range will be discounted according to buyer's then current discount schedule.

* The parties expect that hogs delivered by seller will be between 167 and 236 pounds. Any hogs with carcass weights less than 167 pounds or more than 236 will be considered off-weight hogs and will be assessed a weigh discount pursuant to specified section. If seller's average carcass weights become more than 5 pounds heavier and/or lighter than buyer's average carcass weights on a quarterly basis, then the parties will agree to negotiate in good faith to change the base price and/or loss deductions to compensate buyer for the off-weight hogs.

* Subject to specified paragraph of this agreement, the delivered value of the agreement will be adjusted for variation in the weight above or below the total specified in the agreement by using, as a base meat price, the buyer's specified price at time of delivery.

Volume and Delivery - Changes in Delivery Schedule

* Seller's annual quantity is specified number of hogs starting to deliver specified loads per week specified date; increasing to specified loads consisting of 175-180 market hogs per week on specified date. Seller's annual quantity on the agreement represents all of seller's hogs.

* The parties may mutually agree in writing to modify the delivery schedule and monthly hog quantity for the remaining term of this agreement. Seller understands that uniform weekly deliveries are important to buyer, therefore seller agrees to work with buyer's procurement personnel to schedule hogs at mutually agreeable dates and times. At the beginning of each calendar quarter, seller shall provide buyer with an updated estimated delivery schedule for the next 12 weeks. In addition, seller shall provide buyer written notice of any significant changes in its scheduled hog production as soon as seller identifies such changes.

* During the term of this agreement, seller shall sell to buyer and buyer shall purchase from seller during each delivery year seller’s adjusted annual quantity of hogs produced in the facilities by seller, pursuant to the terms and conditions of this agreement. The amount at which the hogs shall be purchased and sold shall be the purchase amount, subject to any and all adjustments provided for in this agreement. In addition, buyer shall have the option, but shall have no obligation, to purchase any live non-qualifying hogs, at the current market value for such hogs as determined by buyer.

* The parties may agree, from time to time, to change the quantities and delivery dates contained in this delivery schedule. In this event, seller and buyer will complete and sign a new delivery schedule and attach it to the original agreement. [If any new delivery schedule(s) so agreed to by the parties requires deliveries beyond the term of the agreement, the term of the agreement will automatically extend for at least as long as the new delivery schedule(s)] [For avoidance of doubt, this delivery schedule supplements (but does not replace or amend) any other delivery schedule attached to the agreement. If seller has executed a separate delivery schedule, seller must separately fulfill its obligations under such delivery schedule and this delivery schedule.]

* Buyer and seller will each use its best efforts to always provide the other with as much notice as possible of any changes required in the delivery schedule. At any time during the term of this agreement, except for those hogs scheduled to be delivered within the next twenty-four (24) hours, buyer has the option to direct seller to deliver hogs produced under this agreement to slaughter facilities other than specified location provided that all incremental transportation costs, if any, incurred by seller because of the directive given by buyer are paid to

seller by buyer.

* Buyer shall have the express right to inspect each lot in a reasonable manner upon delivery by seller and prior to acceptance thereof. Seller hereby acknowledges that, upon six (6) hours' notice, buyer may adjust the scheduling of delivery of hogs to plant or reduce the number of hogs delivered in any given week to accommodate downtime or decreased capacities at the plant. Buyer hereby acknowledges that any adjustment in scheduling of delivery of hogs, as provided above, will not alter or reduce its obligation to purchase hogs under specified section.

* All hogs already scheduled for delivery and loaded on truck(s) for a particular twenty-four (24) hour period must be delivered and accepted at the processing plant already designated by buyer, e.g., if specified number of hogs are scheduled to be delivered to buyer's specified location on a given Tuesday, with delivery to take place the following day (Wednesday), buyer cannot request a change in that said delivery unless mutually agreeable to seller and said agreement shall not be unreasonably withheld by seller. In the event that seller has not loaded said hogs prior to receiving notice from buyer of the need to delay shipment to, or divert shipment from specified location. Seller will delay loading and shipment of said hogs for up to forty-eight (48) hours, or deliver the hogs to other facilities as directed by buyer. Buyer will unload the hogs in accordance with industry standards giving consideration to all factors affecting unloading (e.g. production requirements, weather, other deliveries, etc.).

Volume and Delivery - Delivery Conditions

* Notwithstanding any other provision of this agreement, buyer shall have the express right to inspect each hog in a reasonable manner at the time of delivery by seller and prior to acceptance of each hog by buyer. Buyer shall have the right to reject any hog at the time of delivery in accordance with the terms and conditions of this agreement.

* The parties agree to use good faith efforts to assist the other in reducing costs and creating efficient delivery and production schedules.

* Seller agrees to deliver hogs under this agreement by: (1) Arranging transportation with transporters certified under the Transport Quality Assurance® Program of America's Pork Producers, and incurring freight costs to deliver the hogs to the delivery plant(s) designated on the delivery schedule; (2) Delivering the hogs to a delivery plant other than the delivery plant(s) designated on the delivery schedule if so directed by buyer. Buyer will pay seller for additional freight costs incurred by such delivery pursuant to buyer then current standard livestock freight schedule; and (3) Arranging delivery with buyer's hog procurement personnel by specified day of the week prior to delivery, with specific delivery days and times to be determined by buyer. Early, late, Sunday and holiday deliveries will be required. Time is of the essence in the delivery of hogs under this agreement.

* Seller agrees to deliver to buyer sows that are ready for immediate slaughter which will be used to produce meat that the USDA inspector and buyer personnel approve for human consumption. All sows purchased will be delivered F.O.B. buyer's plant as designated by buyer. The delivery date for each shipment will be scheduled by the parties not later than noon on Thursday of the week prior to delivery date. Seller acknowledges that buyer prefers to take delivery of sows on Monday or Tuesday of every other week and will make every effort to accommodate buyer. Seller is responsible for all transportation, insurance, market commission, sorting fees and

other expenses incurred for delivery of sows to buyer's specified location of delivery

* Hogs will be considered part of the contract requirement when evaluated at the carcass grading station at buyer. Seller is responsible for any death loss prior to slaughter and for any condemnations.

* Buyer shall not be obligated to accept delivery and purchase from seller during any delivery year any hogs that are owned by individuals and/or entities that do not, as of the date of this agreement, sell hogs to buyer under contract or otherwise.

* All hogs will be identified by lot.

* In order to facilitate the efficient delivery and processing of seller hogs by buyer, the parties shall adhere to the following procedures: Seller will be responsible for all costs relating to delivery of all hogs to buyer. Seller will bear all risk of loss for livestock shipped to buyer until delivery at the buyer plant. Seller will provide buyer with an estimated shipment schedule for the succeeding week by each Wednesday morning.

* Seller agrees to deliver hogs to the plant, and buyer agrees to accept deliveries of said hogs in approximately pro-rata quantities on a weekly and daily basis until the end of the term of this agreement. Buyer shall work with seller to schedule the deliveries by seller sufficiently in advance to accommodate the processing capacities and requirements of the plant and within the constraints of seller’s production schedule, as follows: buyer shall notify seller not later than Friday of the week two (2) weeks prior to the scheduled delivery of the number of days buyer will be processing hogs that week, and buyer and seller shall agree in good faith to a delivery schedule that includes delivering an approximate equal number of head each processing day. Buyer shall have the express right to inspect each lot in a reasonable manner upon delivery by seller and prior to acceptance thereof. Seller hereby acknowledges that, upon six (6) hours’ notice, buyer may adjust the scheduling of delivery of hogs to plant or reduce the number of hogs delivered in any given week to accommodate downtime or decreased capacities at the plant. Buyer hereby acknowledges that any adjustment in scheduling of delivery of hogs, as provided above, will not alter or reduce its obligation to purchase hogs under specified section.

* With respect to specified subparagraphs, both buyer and seller agree to use best commercial efforts to equitably distribute favorable and unfavorable delivery times (including both days during the week and times during the day) to ensure fair treatment of each party and to accommodate seller's hog flow and buyer's plant production needs.

* Hogs are to be delivered by TQA Certified haulers on a day and time acceptable to buyer.

* Buyer shalt promptly provide seller with a load ticket identifying the number of (i) hogs and (ii) the number of hogs that are diseased, disabled, dead or fail to conform to the weight or other specifications under this agreement in each load delivered by seller. The method of delivery of a load ticket shall be consistent and shall be designed to provide seller with accurate and timely information on the number and condition of all hogs delivered to buyer.

* Facilitator shall arrange, at seller's cost and expense, delivery of all hogs purchased hereunder at the plant. Deliveries of hogs shall be made on the dates and times agreed in advance by buyer and facilitator, and may include deliveries on Saturday and Sundays. Facilitator shall cause sellers to represent and warrant that they will deliver hogs using techniques and practices to minimize stress on the hogs while in transit. Facilitator will cause sellers to insure all drivers are TQA (Transport Quality Assurance) certified that transport hogs for this

agreement.

* Seller agrees to deliver hogs for slaughter as follows: a. Notify buyer procurement personnel on Tuesday of the intended deliveries for the next week. b. Deliver hogs to buyer on days and times specified by buyer [c. Sort off any out hogs and do not deliver such out hogs to the location /c. Handle the hogs both at load out and in transit trucking so as to minimize stress and damage to the hogs.]

* Seller shall, at its sole cost and expense, be responsible for delivery of all hogs purchased hereunder at the plant. Deliveries of hogs shall be made on the dates and times specified by buyer which may include deliveries on Saturday and Sundays. Seller will deliver hogs using techniques and practices to minimize stress on the hogs while in transit and also to minimize the time the hogs are on the truck.

* Seller agrees to arrange with buyer weekly hogs deliveries to buyer plant(s) located in specified location(s) pursuant to buyer's instructions. Seller and buyer also agree that on an annual basis approximately specified number hogs can be scheduled for delivery under this agreement to buyer's plant in specified location. Deliveries to any other buyer's plants will be mutually agreed upon by the parties. Seller will solely decide when hogs are ready for slaughter and will be eligible to be scheduled by the parties for delivery pursuant to this section. No later than Thursday two weeks prior to the week of delivery, seller will inform of the actual number of hogs to be delivered in delivery week, and by Friday two weeks prior to the week of delivery buyer will provide seller with a schedule of the dates and times for hogs to be delivered to one of the plants described above. If seller cannot reasonably meet the delivery schedule provided by buyer, seller will promptly notify buyer and buyer will make reasonable accommodations. The parties agree to use good faith efforts to assist the other in reducing costs and creating efficient delivery and production schedules. Buyer agrees to use reasonable efforts to schedule seller hogs at one of the plants named in specified section, which is closest to the seller production facility. Seller agrees to discuss with buyer any changes in seller production facilities for hog production, and will use reasonable efforts to select new production facilities near buyer plants that need additional volumes.

* For purposes of specified section, the parties acknowledge and agree that the day of delivery for all scheduled loads shall be based on and determined consistently in accordance with buyer's daily plant schedule, with each day of delivery beginning at 9 P.M. CST on the previous day and ending at 8:59:59 P.M. CST on that day.

* Buyer shall note on seller's truck(s) bill(s) of lading, and before said delivering truck(s) leaves buyer's plant, of the number, if any, of the hogs arriving at buyer's plant that are diseased, disabled, dead, or fail to conform to the weight specifications under this agreement. Buyer may, at its option, dispose of or sell such hogs according to the then current program, at buyer's plant, for disposal of non-conforming hogs; provided, however, that Seller shall receive all proceeds and shall be responsible for all costs, resulting from such disposal or sale. [Upon request, seller shall provide buyer with the calculation of the costs.]

* Hogs will be scheduled no later than Wednesday 11:59 a.m. preceding the next delivery week. Delivery date and time will be mutually agreed upon between buyer and seller.

* Buyer agrees to purchase from seller, and seller agrees to sell to buyer, (i) hogs meeting the standards of buyer, as such standards may be established or modified from time to time by buyer, and all other program guidelines, and (ii) hogs, as defined below, in the quantities and upon the pricing scale as provided herein. For the purpose of this agreement, hogs refers to hogs other than program hogs and which do not meet the program requirements of buyer. All requirements other than specific program guidelines shall apply to hogs. Deliveries

of program hogs or hogs shall be made to the buyer's facility in specified location or other facility as directed by buyer.

* Delivery date shall mean a twenty-four (24) hour period commencing at 12:01 a.m. and continuing through 12:00 midnight, during which period seller delivered swine to buyer pursuant to this agreement.

* Buyer agrees to purchase from seller, and seller agrees to sell to buyer, hogs meeting the weight and grade standards of buyer, as such standards may be established from time to time by buyer, in the quantities and upon the pricing scale as provided herein. Deliveries of hogs shall be made to the buyer facility in specified location.

* Hogs sold on this agreement will be delivered the day prior to slaughter date.

* Seller will segregate qualifying hogs from all other hogs and deliver qualifying hogs to buyer separately from all other hogs.

* Hogs shall not have access to feed for at least 12 hours and no more than 20 hours prior to their delivery to the designated facility. This requirement does not apply to hogs that are shipped prior to the week of closeout from the finishing barn in which those hogs were raised.

Volume and Delivery - Excess Production/Expansion

* In the event seller has volume in excess of the required quantity, buyer shall receive first right of refusal to purchase these hogs. If consented, such excess hogs will be priced and paid on the same basis as the scheduled hogs. Grade and yield premiums/discounts will be applied to this price for final settlement.

* In the event seller delivers in excess of the required quantity, the quarterly delivery for the excess will be priced on the specified report, as quoted by the United States Department of Agriculture (USDA) for the day of delivery. Grade and yield premiums/discounts will be applied to this price for final settlement.

* Any deliveries above the amount specified in this schedule will only be accepted at buyer' sole discretion at the price buyer specifies at the time. Any excess quantities of hogs accepted by buyer will not be deemed to compensate for prior or future deficit monthly quantities and there is no expectation that buyer will accept quantities of hogs that are inconsistent with the anticipated production from seller per week.

* The parties will agree to the terms governing any deliveries above the delivery schedule quantity, prior to the date of such deliveries. Any excess quantities of hogs accepted by buyer will not be deemed to compensate for prior or future deficit monthly quantities. Seller agrees to deliver the hogs to the delivery plant(s) designated below.

* In addition, seller shall deliver and sell to buyer, and buyer shall purchase any additional hogs (if any) delivered by seller pursuant to the provisions of specified section.

* Buyer shall not be obligated to accept delivery and purchase from seller during any delivery year more hogs than the number of hogs determined by the annual contracted total production.

* Seller shall use its best efforts to produce, deliver and sell to buyer the quantity of excess hogs specified. Buyer shall accept and purchase said excess hogs in accordance with the terms for acceptance and purchase in this agreement. Notwithstanding the foregoing, buyer shall have no obligation to buy any excess hogs once the seller has sold buyer those quantities identified on specified schedule.

* During any delivery year, buyer shall have the option, but shall have no obligation, to purchase an additional quantity of hogs offered by seller in excess of seller's annual quantity; provided, however, that, as of the last day of the delivery year, the excess hogs shall not exceed 1.0 of seller's annual quantity. Such excess hogs shall be included in seller's hog deliveries in the immediately succeeding delivery year, thereby reducing the number of hogs that seller would otherwise be obligated to deliver pursuant to seller’s annual quantity. The price at which the hogs shall be purchased and sold shall be the purchase price, subject to any and all adjustments provided for in this agreement. In addition, buyer shall have the option, but shall have no obligation, to purchase any live nonqualifying hogs, reflecting the current market value for such hogs as determined by buyer.

* If the seller wishes to expand its operation or otherwise produce and deliver hogs under this agreement, seller can notify of such desire and in its sole discretion may choose to accept hogs from a mutually agreed-upon additional number of sows.

* During the term of the agreement, seller shall be entitled to sell, grant or otherwise convey to a person or entity other than buyer hogs in excess of the annual contracted total production, if seller first (1) gives thirty (30) days prior written notice to buyer of seller's intent to sell such hogs, and (ii) furnishes buyer with true, accurate and complete copies of all documentation relating directly or indirectly to such proposed sale, grant or other conveyance. Should buyer determine to exercise its first right to purchase described herein, buyer shall notify seller in writing of buyer's decision to purchase additional hogs within fifteen (15) days of buyer's receipt of seller's notice by indicating the number (or stating all) of the additional hogs to be purchased and the time period for delivery of hogs. All hogs delivered by seller and purchased by buyer under this section shall be delivered pursuant to negotiated terms and conditions that may be different than the hogs required to be delivered and sold by seller under the terms and conditions of this agreement. In the event seller and buyer are unable to reach mutually agreeable terms and conditions as to the hogs delivered under this section, seller may deliver and sell its hogs to any other person or entity.

* Seller agrees that it will inform buyer in advance if seller expects to deliver more than specified percentage above the amounts shown in the delivery schedule. Any excess quantities of hogs accepted by buyer will be paid at the contract price but will not be deemed to compensate for prior or future deficit monthly quantities. In the event that seller expands its operations in the future such that seller could supply a larger number of hogs to buyer, the parties agree to negotiate the pricing on such additional hogs.

* Seller agrees that it will inform buyer in advance if seller wishes to deliver more than five percent (5) above the number of hogs shown in specified exhibit in any one (1) calendar month. Buyer shall have the option, but is not obligated to, purchase the excess hogs for the price; however, any excess hogs purchased will not be counted toward seller's subsequent monthly obligation to sell hogs to buyer.

* If the seller wishes to expand his operation or deliver more hogs under this agreement it will be subject to the following: (i) If the seller has chosen specified option above (delivery of a specific number of hogs each year), and the seller wants to expand the number of hogs delivered under this agreement, seller can notify buyer and buyer, at its sole discretion, may choose to accept the additional hogs under the terms of this agreement. If the seller has chosen specified option above (delivery of all of the seller's hogs), and the seller exceeds the estimate,

seller will deliver up to 115 of the number of hogs estimated to be delivered on an annual basis. If the seller's production exceeds 115 of the number of hogs estimated above, seller must notify buyer of the excess in writing, and the parties must mutually agree that the excess hogs will be delivered pursuant to the terms of this agreement. If the seller and buyer do not mutually agree that the hogs in excess of 115 of the estimated number will be delivered to buyer under this agreement, 115 of the number of hogs estimated in above will become a specific number of hogs that the seller will deliver to buyer on an annual basis under this agreement starting in the year following the seller's notice and continuing through the end of the term. Seller will use his production facilities to first fulfill the hog delivery requirements under this agreement, and any excess hogs may be marketed by the seller at his discretion. If the seller's increased production changes the maximum annual total production to a longer notice period for termination under specified section, then under the agreement, seller must give the longer notice period to terminate this agreement.

* Seller shall notify buyer in the event seller expands its operations to produce additional hogs and designate the volume of hogs to be produced as a result of the expanded production. Buyer and seller shall meet to negotiate the terms and conditions of buyer's purchase of any or all of such expanded production, which such terms and conditions shall be mutually agreed upon by seller and buyer and evidenced by an amendment to this agreement. Buyer is not obligated to purchase any or all of the expanded production, and seller is not obligated to sell any or all of the expanded production to buyer, nor shall such hogs be subject to any right of first refusal set forth in specified section.

* If seller expands its finishing capabilities during the term of this agreement, then seller shall provide buyer with the first right to engage in good faith exclusive negotiations with seller to purchase such hogs at a price mutually agreed to by buyer and seller.

* If facilitator/seller wishes to sell buyer more hogs [on behalf of sellers] on an annual basis, facilitator will notify buyer in writing of the desire to market additional hogs under this agreement [and provide a proposed list of the sellers (including each seller’s name and anticipated annual volume to be delivered by each seller) that would deliver the additional volume]. Buyer will approve or disapprove the delivery of the additional hogs under this agreement (buyer approval will be based on buyer available shackle space and long-term objectives for contracted hog procurement). If buyer chooses not to accept the additional hogs under this agreement, buyer will notify facilitator/seller in writing within thirty days of receipt by of written notice of expansion. If buyer chooses not to accept the additional hogs, facilitator/seller will not be allowed to deliver such additional hogs under this agreement.

* If seller plans to expand its hog production operations through new construction or acquisition, seller will inform buyer by a written notice of any plans for additional expansion, and such notice will describe (i) the proposed size of the additional expansion, (ii) the estimated number of hogs to be produced at the additional expansion, and (iii) a production schedule showing when seller anticipates hogs will first be ready for delivery and showing monthly production estimates up through the time such additional expansion is delivering hogs at full capacity. Upon receipt of this notice, buyer and seller can either mutually agree to include the hogs from the additional expansion under this agreement; or if either of the parties does not wish to add such hogs to this agreement, buyer and seller will enter into good faith negotiations for the sale of hogs from additional expansion under another form of mutually acceptable agreement. If the parties cannot mutually agree to purchase and sell the hogs from additional expansion under the terms and conditions of this agreement or another mutually on agreed upon agreement, within sixty days of buyer receiving the seller's notice, seller is free to negotiate with third parties for the sale and purchase of the hogs from such planned additional expansion.

Swine Packer Marketing Contract Summary – National Other Provisions

* Seller shall produce, deliver and sell to buyer the minimum quantity of hogs set forth in specified exhibit. Seller may produce, deliver and sell to buyer, hogs in excess of the minimum quantity, according to the terms herein, and buyer shall be obligated to purchase such excess hogs, provided that, in no event, shall buyer be obligated to purchase hogs in excess of the maximum quantity set forth in specified exhibit. Seller shall be liable to buyer in the event seller fails to produce, deliver and sell the minimum quantity of hogs.

* The weekly requirements of specified exhibit are to be filled first and all excess deliveries applied to the period requirements of specified exhibit.

* If seller delivers more hogs than required by the contract, and buyer is willing to accept such hogs, Buyer will calculate the number of hogs required to satisfy the contract and the balance of the lot will be priced at the current market price

* If seller wishes buyer to sell more hogs annually, seller will notify buyer in writing of the desire to market additional hogs under this agreement. Buyer will approve or disapprove the delivery of the additional hogs under this agreement (buyer approval will be based on available shackle space and long-term objectives for contracted hog procurement). If buyer chooses not to approve the additional hogs under this agreement, buyer will notify the seller in writing within thirty days. If buyer chooses not to approve the additional hogs, seller will not be allowed to deliver such additional hogs under this agreement.

* The above minimum quantity is less than the total quantity of hogs produced by seller on both a historical and current basis. Seller's hog production which is in excess of the minimum quantity, but which is below the maximum quantity, as set forth above, shall be sold by seller and purchased by buyer as set forth in the agreement and this exhibit.

* Seller may deliver up to 105 of the number of hogs estimated to be delivered during each annual period. If annual hog deliveries exceed 105 of the number of hogs estimated above, seller must notify buyer of the excess in writing. Buyer will approve or disapprove the delivery of the additional hogs under this agreement (buyer’s approval will be based on available shackle space and long-term objectives for contracted hog procurement). Seller agrees to use good faith efforts to deliver the annual total production on a consistent monthly and weekly basis.

* Seller shall use its best efforts to produce, deliver and sell to buyer the monthly quantity of excess hogs identified on specified exhibit. The parties agree that there may be fluctuations in monthly excess hogs deliveries; but that seller shall consistently achieve delivery of the quarterly quantities of excess hogs as set forth on specified exhibit. Buyer shall accept and purchase said excess hogs in accordance with the terms for acceptance and purchase of hogs under this agreement. Notwithstanding the foregoing, buyer shall have no obligation to buy any excess hogs once the seller has sold buyer those quarterly quantities identified on specified exhibit.

* The above schedule is less than the total quantity of hogs produced by seller, at the designated production facilities, on both a historical and current basis. Hogs production at the designated production facilities, which is in excess of the quantity set forth above (excess hogs), and the month during which said excess hogs are produced, is also set forth on the schedule attached hereto as specified exhibit.

* Notwithstanding the provisions of subparagraph above, seller may provide an estimate which is more than 110 of seller's prior year's actual deliveries of hogs to buyer. In any such event, buyer shall have fifteen (15) days, from receipt of seller's estimate, to object to the purchase of all or a portion of the estimated deliveries in excess of such 110. If buyer does so object, buyer shall purchase, and seller shall sell, the quantity of hogs determined by the estimate less the quantity subject to buyer's objection. If buyer does not object, buyer shall purchase, and seller shall sell, no less than the estimated quantity.

* In the event seller expands it operation or if the seller is delivering all of its hogs and the number of hogs seller wishes to deliver under this agreement exceeds the annual total production as estimated by more than 15, seller must notify buyer in writing of such increase in production, and buyer at its sole discretion may choose to accept the additional hog production under the terms of this agreement. Buyer will notify seller of such decision in writing.

Volume and Delivery - Failure to Meet Delivery Schedule

* If seller fails to ship and deliver the quantity of hogs or available excess hogs identified on specified exhibit for a period of one (1) fiscal quarter/month, then buyer may, in addition to all other rights and remedies that buyer may have, price any future delivered hogs or excess hogs from such seller at the lower of (i) the agreement price, as determined under specified section or (ii) the base cash price, per carcass cwt., as offered by buyer at its plant on the day of delivery of the hogs plus or minus (as the case may be), the carcass merit adjustment (lower-of-the-two pricing). Should seller ship and deliver a sufficient quantity of hogs to comply with this agreement, buyer shall cease lower-of-the-two pricing. Further, if seller fails to ship and deliver the quantity of hogs or excess hogs required by this agreement for a period of two (2) consecutive fiscal quarters/months, then buyer may, in addition to all other rights and remedies that buyer may have, terminate this agreement with the seller.

* Seller acknowledges that it bears the risk of hog production shortfalls. If seller under-delivers for any specified number of consecutive months, then the parties may reassess the delivery schedule for the remaining term of this agreement. The parties may mutually agree in writing to modify the delivery schedule for the remaining term of this agreement. Seller's weekly quantities of hogs delivered must be as uniform as is possible. Seller must provide buyer with written notice of any significant changes in its scheduled hog production as soon as seller identifies such changes.

* For a default consisting solely of seller's failure or refusal to deliver the number of hogs required by either the delivery schedule or other agreement between the parties, buyer's liquidated damages will be capped at an amount equal to the total number of contracted hogs to be delivered for the remaining term of this agreement multiplied by specified amount. Upon buyer's demand, seller will pay buyer cash in the amount of such damages within specified days of the date of buyer's demand or as otherwise agreed to by buyer, in writing, at buyer's discretion. If seller makes a timely payment of such damages, seller will no longer have any obligation to deliver hogs that are included in the calculation of such damages, and buyer will waive any additional claim for indirect, incidental or consequential damages. The parties agree that the above measure of buyer's damages is a reasonable estimation of buyer's costs to procure replacement hogs for the remaining term of this agreement. However, if seller does not timely pay the damages as set forth in this subsection, then buyer reserves the right to seek these damages plus other damages and remedies that it may have available to it at law or in equity. Examples of such other damages are indirect, incidental and consequential damages.

* If seller is in Default or we terminate this agreement for seller's default, then we will be entitled to recover from seller direct damages pursuant to this section. Our direct damages will be an amount equal to the total number of contracted hogs to be delivered for the remaining term of this agreement multiplied by five dollars ($5.00). In addition, our direct damages will include any losses and trading posts we incur for executed futures contracts where you fail to make the agreed deliveries. Upon our demand, seller will pay us cash in the amount of such direct damages within thirty (30) days of the date of our demand or as otherwise agreed to by us, in writing, at our discretion. If seller makes a timely payment of such direct damages, seller will no longer have any obligation to deliver hogs that are included in the calculation of such direct damages, and we will waive any additional claim for indirect, incidental or consequential damages. The parties agree that the above measure of our direct damages is a reasonable estimation of our direct damages. However, if seller does not timely pay the direct damages as set forth in this Section, then we reserve the right to seek direct damages plus other damages and remedies that we may have available to us at law or in equity. Examples of such other damages are indirect, incidental and consequential damages.

* This agreement specifically requires each seller deliver all committed hogs produced by such seller to buyer. Buyer shall be entitled to recover damages from any seller for any damages, direct or consequential, together with reasonable attorney fees, incurred by buyer as a result of a seller selling to anyone other than buyer any hogs committed by such seller to buyer under the terms of this agreement.

* In the event that seller at any time is unable to sell and deliver to buyer the foregoing minimum number of head of hogs in any calendar year, such failure shall not be deemed a default under this agreement and buyer's sole remedy for such failure shall be to purchase from a third party that number of swine necessary to make up the difference between the specified number hogs per week that buyer wishes to acquire and the number of head of hogs which seller is then able to sell and deliver to buyer.

* Fiscal year quantities are set forth on the schedule attached as specified exhibit, and are further detailed, on such schedule, on a monthly basis. (i) As set forth in specified section, seller shall not be relieved of its obligation to deliver and sell hogs to buyer, in the quantity set forth above, for any reason that does not constitute a Force Majeure Event. If any event occurs, which may possibly affect seller’s obligation to deliver and sell hogs in the quantity set forth above and which is not a Force Majeure Event, then seller shall give buyer prompt written notice describing such event and seller’s plan to remedy such event. In addition, any failure of seller to deliver and sell hogs to buyer, in the fiscal year quantity set forth above, shall be a material default under this agreement. (ii) By the fifteenth of each month seller will provide buyer with a report detailing the actual number of weaned pigs placed in the designated production facilities during the immediately preceding month. Buyer agrees to keep such reports confidential.

* Replacement Damages shall be equal to $4.00 times the replacement quantity.

* Buyer losses means (a) the number of hogs that seller failed to deliver as required by this agreement multiplied by the positive difference, if any, between the price buyer had to pay to purchase the hogs elsewhere and the price at which buyer could have purchased the hogs pursuant to this agreement; plus (b) any incidental or consequential damages that buyer may incur as a result of seller's failure to deliver the hogs.

* Notwithstanding the foregoing, if seller is unable to furnish the required quantity of hogs as a result of affiliated supplier being unable or refusing to supply weaned pigs from the specified facility as required under seller's production agreement with affiliated supplier, such delivery failure of seller shall not be considered a breach of this agreement or a basis for terminating this agreement but instead the delivery failure of affiliated

supplier and shall excuse any related performance failure by seller. However, seller shall continue to supply whatever available and conforming hogs as it has available and, as soon as seller is able to once again supply the quantity of hogs required hereunder, it shall resume doing so.

* If seller is unable to consistently supply the contracted number of hogs that meet the quality and weight requirements described above, seller shall have thirty (30) days to correct such deficiencies. During such thirty day period, purchase of seller's hogs may be suspended if, in buyer's opinion, such suspension is warranted.

* Replacement quantity shall mean (i.) with respect to any failure by seller to deliver seller's quarterly quantity, the difference between (a.) 23.0 of seller's annual quantity of hogs and (b.) the actual number of hogs delivered by seller to buyer during such quarter of the delivery year; or (ii.) with respect to any failure by seller to deliver seller's annual quantity, the difference between (a.) seller's annual quantity of hogs, minus (b.) the actual number of hogs delivered by seller to buyer during such delivery year.

* If seller fails to deliver seller's hogs as agreed to in the delivery schedule, seller will be liable to facilitator for any damages or liabilities accruing under the agreement, and seller and will also be liable for costs and expenses, if any, incurred by facilitator or buyer to obtain additional hogs to fulfill the missed delivery of seller's hogs.

* In consideration for your entering into this agreement, buyer will pay you a scheduling premium of specified amount per carcass hundredweight for all hogs delivered in accordance with the above schedule, in addition to any other sums that may be due to you in connection with the sale of these hogs. On the. Other hand, if you fail to deriver according to this schedule, we have the right to cancel this scheduling agreement by mail.
* The initial monthly hog quantity shall be as shown in the delivery schedule, until such time both parties agree to change the delivery schedule. If seller cannot meet the monthly hog quantity for any three consecutive months, then the parties will reassess the delivery schedule and monthly hog quantity for the remaining term of this agreement.

* Hogs shall be delivered on a day designated by the buyer during the delivery period or by mutual agreement at an earlier or later date. Any late deliveries will be penalized based on the greater of (i) the cash market depreciation from the last day of the delivery period until the actual delivery, or (ii) $1.00/cwt for each week beyond the specialized delivery period.

* Replacement damages shall be equal to (i.) the positive difference (if any) between the average actual basis for the week and the basis defined in specified exhibit, (ii) Plus $4.00 per head, (iii) times the replacement quantity. The cash component to determine the actual basis will be, (the average of the highest negotiated price and the weighted average price per carcass cwt quoted on the specified price reported by the USDA) and the Futures component will be the daily settlement of the Nearby Lean Hog Futures.

* Seller shall use its best efforts to ship and deliver to buyer, the quantity of hogs, in accordance with the schedule attached as specified exhibit and specified article of this agreement. If seller fails to ship and deliver the quantity of hogs required by this agreement for a period of one fiscal month, then buyer may, in addition to all other rights and remedies that buyer may have, price any future delivered hogs at the lower of (i) the agreement price, as determined under specified article or (ii) the base cash price, per carcass cwt., as offered by buyer at its plant on the day of delivery of the hogs plus or minus (as the case may be), the carcass merit adjustment (lower-of-the two pricing). Should seller ship and deliver a sufficient quantity of hogs to comply with this agreement, buyer shall cease lower-of-the two pricing. Further, if seller fails to ship and deliver the

quantity of hogs required by this agreement for a period of two consecutive fiscal months, then buyer may, in addition to all other rights and remedies that buyer may have, terminate this agreement.

* If seller cannot reasonably meet the delivery schedule provided by buyer, seller will promptly notify buyer and buyer will use good faith efforts to make reasonable accommodations. Buyer and seller agree to use good faith efforts to equitably distribute favorable and unfavorable delivery times (including both days during the week and holidays) to ensure fair and equitable treatment to seller in comparison to other sellers on average, and to reasonably accommodate seller's hogs flow in relation to buyer's plant production needs.

* Buyer losses means the number of hogs that seller failed to deliver as required by this agreement during each delivery period In which seller is in default, multiplied by the average carcass weight of hogs delivered during the delivery period, or average carcass weight of the most recent prior period in which seller sold Hogs if no Hogs were delivered during the default period, multiplied by the greater of 5.5 of the price at which buyer could have purchased hogs pursuant to this agreement or basis loss on the last day of the delivery period in default, plus any incidental or consequential damages that buyer may incur as a result of seller's failure to deliver the hogs. Basis Loss will be calculated as any positive difference between base carcass price adjustments to the CME Futures less the cash market defined as specified reported price less the CME futures price. The price at which buyer could have purchased hogs pursuant to this agreement will be determined without regard to any forward contract entered into by the seller.

* If seller fails to deliver the number of hogs required under specified exhibit, buyer may, in addition to all other remedies available to it, choose to charge seller a short charge as defined herein. The short charge shall be calculated by multiplying the number of hogs that seller failed to deliver by the average carcass weight of hogs multiplied by 5.5 of the price at which buyer could have purchased hogs pursuant to this agreement.

* Replacement price difference shall mean with respect to any fiscal month in which there is a seller's monthly quantity shortage, the positive difference, if any, between (a) 1.02 multiplied by the average total carcass cwt. price paid by buyer during such month for hogs purchased by buyer that buyer has no written obligation to purchase, minus (b) the average price per carcass cwt. paid to seller for such month plus $1.60 per carcass cwt.

* Seller acknowledges that it bears the risk of hog production shortfalls. Seller's failure to deliver the delivery schedule quantity, unless excused by Force Majeure, will result in seller having to pay delivery shortage assessments as set forth in specified section. If seller under-delivers for any three consecutive months, then the parties may reassess the delivery schedule for the remaining term of this agreement. The parties may mutually agree in writing to modify the delivery schedule for the remaining term of this agreement. Seller's weekly quantities of hogs delivered must be as uniform as is possible. In addition, seller must provide us written notice of any significant changes in its scheduled market seine production as soon as seller identifies such changes.

* If seller fails to deliver according to this schedule, buyer has the right to cancel this scheduling agreement by mail.

* Seller shall notify buyer in writing immediately (as soon as possible) upon the occurrence of any event or condition, including, but not limited to, adverse herd health conditions, which could negatively affect seller's ability to deliver hogs at the normal expected production levels [within a 10 percent tolerance of specified number].

* If such notification does not conform to the schedule attached as specified exhibit, then such notification shall include the reason for any variance from such schedule, the actions being taken by seller to remedy any such variance, and when seller expects to resume deliveries in accordance with such schedule. If seller fails to ship and deliver the quantity of hogs or excess hogs required by this agreement for a period of one fiscal quarter, then buyer may, in addition to all other rights and remedies that buyer may have, price any future delivered hogs or excess hogs at the lower of stated prices as offered by buyer at its plant on the day of delivery of the hogs plus or minus (as the case may be), the carcass merit adjustment. Should seller ship and deliver a sufficient quantity of hogs or excess hogs to comply with this agreement, buyer shall cease lower-of-the-two pricing. Further, if seller fails to ship and deliver the quantity of hogs or excess hogs required by this agreement for a period of two consecutive fiscal quarters, then buyer may, in addition to all other rights and remedies that buyer may have, terminate this agreement.

* Modified replacement price difference shall mean with respect to any fiscal month in which there is a seller's monthly quantity shortage, the positive difference, if any, between (a.) buyer's actual net sales value per carcass cwt. during such month minus $15.30 per carcass cwt. (which such amount buyer and seller agree represents buyer's estimated variable cost of processing per carcass cwt. as of the date of this agreement, and which buyer and seller further agree shall be reviewed and adjusted, if appropriate, no less frequently than annually), minus (b.) the average specified price during such month.

* Buyer may terminate this agreement if seller fails to deliver the quality of hogs required by buyer, by using this remedial procedure: buyer will provide written notice to seller of the quality problem, and seller will have thirty (30) days to correct it. If seller fails to correct the problem within thirty (30) days after the written notice, this agreement will be terminated on the 45th day following the written notice. During the remediation procedure, buyer may refuse to accept delivery of a seller's hogs suspected of having a violative antibiotic residue. If seller corrects the problem within the thirty (30) days, this agreement will continue under its original terms.

* Seller's delivery of the required quantities of hogs to buyer set forth in specified exhibit is an essential part of this agreement, and seller's failure to supply at least 90/95 of the required quantities of hogs in any quarter may constitute a default hereunder. Buyer may in its sole and absolute discretion assess a $15.00/$5.00 per head deficiency fee for the number of qualifying hogs falling below 90/95 of the required quantities.

* Replacement damages, except as otherwise set forth in the following sentence, shall be equal to the lesser of (i) seller's allocated monthly replacement quantity, if any, times the replacement price difference for such corresponding month or (ii) seller's allocated monthly replacement quantity, if any, times the modified replacement price difference for such corresponding month, summed together for each of the months in the relevant fiscal quarter of the Delivery Year with such resulting sum multiplied by 2.15. If during the relevant month for which replacement damages are being determined buyer does not purchase any hogs other than hogs for which the buyer is under a written obligation to purchase such hogs, then the replacement damages for such month shall be equal to the seller's allocated monthly replacement quantity times the modified replacement price difference times 2.15.

* Pay buyer the buyer losses if seller falls to deliver hogs to the location.

* Replacement damages shall be equal to the lesser of (a.) $4.00 or (b.) the replacement cost difference times the replacement quantity.

Volume and Delivery - Right of First Refusal

* Seller shall offer for sale to buyer any available pigs that are not otherwise subject to an agreement, whether or not with buyer, where such hogs are located within 150 miles of the locations. If, after a good faith effort to negotiate by the parties the purchase of such hogs the parties cannot reach agreement as to a purchase price for such hogs, seller shall be permitted to sell such hogs to an unrelated third party; provided, however, if buyer's net offer price (with standard adjustments including weight, premiums/discounts and freight for comparison purposes) is within $0.50/cwt of the best alternative offer, prior to consummation of any sale of such hogs with the unrelated third party, seller shall give buyer a final opportunity to match the negotiated price (with standard adjustments including weight, premiums/discounts and freight for comparison purposes) reached between the unrelated third party and seller. Buyer must respond promptly with a final purchase decision. In the event that buyer matches such net price, seller shall be obligated to sell such animals to buyer pursuant to the terms hereunder. Should buyer purchase such hogs from seller, any hogs sourced from such hogs shall not be counted towards satisfaction of the volume requirements set forth in specified section.

* If seller chooses to place additional hogs above specified volume on an annual basis with any buyer, they grant this buyer the first right of refusal. This buyer will accept or reject any additional volume at the current agreement pricing. If accepted the new volume commitment will began on the agreed upon commencement date and run for two years with a 12 month evergreen.

* Seller hereby grants buyer a right of first refusal to purchase any of seller's other hogs at the rates set forth herein.

* Seller hereby grants buyer the right of first refusal during the term of this agreement to purchase all specified program hogs farrowed to agreement sows, in excess of the quantities provided in specified appendix. Seller also grants buyer the right of first refusal to purchase hogs farrowed to agreement sows that do not qualify as specified hogs yet meet all other requirements of buyer for commercial hog purchases, although buyer is not obligated to purchase hogs.

* Buyer is hereby granted by seller the right of first refusal during the original term and any renewal term to purchase hogs farrowed to seller's sows other than the agreement sows, as well as hogs farrowed to seller's agreement sows in excess of the quantities provided in specified schedule hereto, at the agreement price, as defined under this agreement.

* Seller hereby grants to buyer the right of first refusal during the term of this agreement (as the same may be extended in accordance herewith) and any subsequent hog agreement to purchase i) hogs farrowed to seller's sows other that the agreement sow and ii) hogs farrows to seller's agreement sows in excess of the quantities provided in specified schedule hereto, in each case that are not otherwise under contract at the time of this agreement, at the agreement price, as defined under this agreement. Seller agrees to notify buyer immediate upon the occurrence of available hogs set forth in specified section.

* Buyer shall have a right of first refusal to any bid seller has received for sows, boars and off quality hogs being sold for slaughter.

* In addition, and notwithstanding the foregoing, seller shall have the right to sell up to specified number weaned pigs produced at the designated production facilities. Weaned pigs sold can only occur during April 1 through August 31 each year. Any weaned pigs sold will first be offered to buyer at a base price equal to the weighted average cash price for early weaned pigs (10 pound basis) as of the specified price. An increase above the base price equal to $0.50 per half pound above 10 pounds average weight per load will be added up to a maximum of 15 pounds average weight per load ($5.00 per head maximum).

* Seller will market all available production to buyer which will equal specified number weekly; specified number monthly; specified number annually. Weekly volume will be evenly distributed. Buyer shall have the right of first refusal on any additional volume. Hogs will be scheduled no later than Thursday 11:59 a.m. the week prior to the desired delivery date and time. Delivery date and time will be mutually agreed upon between buyer and seller.

* Any hogs available for sale and delivery by seller in excess of the annual agreement total production may be sold by seller to anyone else, subject, however, to buyer's first right to purchase such hogs as set forth in specified paragraph of this agreement.

* Buyer has first right of refusal for any additional load from sellers represented by the facilitator.

* Buyer shall have the right of first refusal on any additional volume.

* In the event seller has volume in excess of the required quantity, buyer shall receive first right of refusal to purchase these hogs. If consented, such excess hogs will be priced and paid on the same basis as the scheduled hogs. Grade and yield premiums/discounts will be applied to this price for final settlement

* In the event seller has access to more qualified program hogs than are required to fulfill the obligation listed on specified schedule, buyer will be given the right of first refusal to buy any such animals unless seller has specifically committed this production to markets within the continental United States.

* During the term of the agreement and any extensions thereof, seller shall be entitled to sell, grant or otherwise convey to a person or entity other than buyer the right to sell seller's hogs in excess of the seller's annual agreement total production, if seller first (1) gives thirty (30) days prior written notice to buyer of seller's intent to sell such hogs, and (ii) furnishes buyer with true, accurate and complete copies of all documentation relating directly or indirectly to such proposed sale, grant or other conveyance. Should buyer determine to exercise its first right to purchase described herein, buyer shall notify seller in writing of buyer's decision to purchase additional hogs within fifteen (15) days of buyer's receipt of seller's notice by indicating the number (or stating all) of the additional hogs to be purchased and the time period for delivery of hogs. All hogs delivered by seller and purchased by buyer under this section shall be delivered pursuant to negotiated terms and conditions that may be different than the hogs required to be delivered and sold by seller under the terms and conditions of this agreement. In the event seller and buyer are unable to reach mutually agreeable terms and conditions as to the hogs delivered under this section, seller may deliver and sell its hogs to any other person or entity.

* Buyer and seller acknowledge that seller intends to increase its live hog finishing capacity in the designated geographic area and marketing during the term of this agreement. In the event seller finishes hogs in excess of the maximum number of hogs of the subject agreement year in the designated geographic area, seller shall provide buyer the first right to purchase those hogs at a price not less than the price otherwise provided in this agreement. Seller shall have the right to market hogs in excess of the maximum number of hogs in any

agreement year to any other buyer if, after a good faith effort to negotiate by the parties the purchase of such hogs the parties cannot reach agreement as to a purchase price for such hogs.

Volume and Delivery - Scheduling Documentation

* At least thirty (30) days prior to the commencement of each calendar quarter, during the term hereof, seller shall deliver to buyer an estimate of the number of hogs to be delivered to buyer in the succeeding calendar quarter and the quarter thereafter; each of which shall not be less than the quarterly amount set forth at specified section. Seller shall use its best efforts to deliver the number of hogs as set forth in such estimate.

* Beginning on approximately the dates listed on specified schedule, seller shall deliver to buyer 100 of seller's hogs from approximately specified sows as designated on specified schedule, estimated at the time this agreement is executed to be specified hogs annually. Seller and acknowledge that such dates on specified schedule assume construction start dates for the new sow farms to produce the hogs that are in turn dependent on timely Iowa DNR issuance of construction permits for the sow farms and therefore the dates may vary depending on permitting. Seller will provide updates to specified schedule to promptly after any changes to the specified schedule become known to seller. To potentially mitigate any delay in hogs being provided by construction of the new sow farms as contemplated on specified schedule, seller and buyer agree that seller may enter into wean pig purchase agreement(s) and will designate as such on specified schedule. Seller shall use its best efforts to ensure that seller shall deliver to 100 of hogs from approximately specified sows beginning approximately specified date. Seller shall use best efforts to purchase replacement pigs where the terminal sires used in producing pigs were from DNA Duroc. Thereafter, seller shall continue to deliver 100 of seller's hogs originating from the sow farms designated on specified schedule through the remainder of the term, as such term is hereinafter defined. In the event seller enters into a wean pig purchase agreement, seller reserves the right to replace that facility at a later date and to submit a revised specified schedule. Once commercial production from all sow farms listed on specified schedule commences, seller and buyer will confer and agree before seller purchases pigs to replace volume from sow farms listed on specified schedule.

* Buyer agrees to cooperate with seller in developing a schedule for the delivery by seller of hogs taking into account the processing capacities and requirements of the designated facility. Buyer and seller shall agree on a date and time for delivery of each Lot that is not more than fourteen (14) days before the hogs will be slaughtered and not later than the Wednesday of the week before the hogs will be slaughtered. Seller shall use its best efforts to deliver each week the number of loads (consisting of approximately 160 head per load) of hogs equal to the number of operating days in buyer's weekly operating schedule. Seller hereby acknowledges that buyer may adjust the delivery schedule of hogs to the designated facility or change the number of hogs to be delivered in any given week to accommodate downtime, decreased capacities, or Saturday operations at the designated facility.

* Seller must arrange delivery of hogs with buyer hog procurement personnel by specified day of the week prior to the delivery. At the same time, seller must also advise buyer of the day(s) during the following week on which it will deliver forward priced hogs.

* Seller agrees to arrange and schedule with a designated representative, hogs deliveries to plant(s) located at specified location. Other plants may be added as delivery points for hogs as mutually agreed to by the parties. Each Thursday, seller will provide to the estimated number of loads, to deliver in three weeks (i.e., if a Thursday falls on the 1st, the estimate would be for deliveries starting on the week of Monday the 26th). Seller

will notify the number of hogs and the actual site that are ready for delivery no later than Thursday three weeks prior to the week of delivery. By Friday of the week preceding delivery, buyer will schedule the loads and notify seller of the day of the week and the time of day that hogs should be delivered to the designated facility. Buyer will make good faith effort to schedule an even number of hogs throughout the week, to include Saturday when schedules Saturday slaughters. Seller and buyer will work together to create reasonable schedules for the delivery of hogs. Require seller to deliver hogs, on an even flow daily and at certain times, to enable to process hogs in compliance with country of origin, or any similar law which requires segregation of hogs or pork product (Law). In addition, seller may be asked deliver with each load of hogs any affidavit or other document requested by to comply with such Law.

* Seller shall use its best efforts to ship and deliver to buyer, the quantity of hogs in accordance with the schedule attached as specified exhibit. Seller shall notify buyer at the beginning of each fiscal quarter, of the projected quantity of hogs to be shipped and delivered by seller, on a monthly basis, for the current fiscal quarter and the subsequent fiscal quarter. If such notification does not conform with the schedule attached as specified exhibit, then such notification shall include the reason for any variance from such schedule, the actions being taken by seller to remedy any such variance, and when seller expects to resume deliveries in accordance with such schedule. [If seller fails to ship and deliver the quantity of hogs required by this agreement for a period of 3 consecutive months, then buyer may, in addition to all other rights and remedies that buyer may have, price any future delivered hogs at the lower of (i) the Contract price, as determined under the first paragraph of specified section, or (ii) the base cash price, per carcass cwt., as offered by buyer at its plant on the day of delivery of the hogs, plus or minus (as the case may be), the carcass merit adjustment. Further, if seller fails to ship and deliver the quantity of hogs required by this agreement for a period of 6 consecutive months, then buyer may, in addition to all other rights and remedies that buyer may have, terminate this agreement.]

* Seller agrees to schedule its delivery of hogs to buyer's plant by 11:59 am on the Thursday preceding the next delivery week. Seller further agrees that at least 40 of its hogs shall be scheduled to be delivered prior to 7:00 am. Unavoidable changes in that schedule will be permitted only by agreement between seller and buyer reached at least twenty-four (24) hours before delivery.

* Specified head per year+ or - 10. (Specified loads per month). Seller will give buyer a weekly, 3-week rolling projection.

* Seller shall notify buyer at the beginning of each fiscal quarter, of the projected quantity of hogs to be shipped and delivered by Seller, on a monthly basis, for the current fiscal quarter and the subsequent fiscal quarter. If such notification does not conform with the schedule attached as specified exhibit, then such notification shall include the reason for any variance from such schedule, the actions being taken by seller to remedy any such variance, and when seller expects to resume deliveries in accordance with such schedule.

* Seller shall coordinate deliveries with buyer and shall supply buyer with a prearranged schedule, acceptable to buyer, stating delivery times and numbers of hogs to be marketed, by Wednesday of the week prior to the scheduled hog delivery. All costs associated with transportation of the hogs to buyer's facility are the responsibility of seller. Hogs must be transported by haulers certified in the National Pork Board's Transport Quality Assurance Program and approved by buyer. All risk of loss to hogs during transportation and lairage shall be borne solely by seller.

* Seller shall notify buyer at the beginning of each fiscal quarter, of the projected quantity of hogs (including excess hogs) to be shipped and delivered by seller, on a monthly basis, for the current fiscal quarter and the subsequent fiscal quarter.

* The parties agree that seller will supply and buyer will purchase specified loads of hogs weekly, estimated to be approximately specified hogs, regardless of the number of days the plants are operating during a given week. Seller will provide on a quarterly basis the estimated number of hogs that seller will deliver for each month in the following quarter. Seller agrees to use good faith efforts to deliver the annual total production on a consistent monthly and weekly basis through each year of the term.

* Seller shall ship and deliver to buyer, the quantity of hogs in accordance with the schedule attached. Buyer will send seller projection forms requesting the projected quantity of hogs to be shipped and delivered by seller, on a calendar monthly basis, for the current calendar quarter and the subsequent calendar quarter. Seller is obligated to timely fill in and return the projection forms. If projected deliveries do not conform to the schedule attached as specified exhibit, then such projection shall include the reason for any variance from such schedule, the actions being taken by seller to remedy any such variance, and when seller expects to resume deliveries in accordance with such schedule. In any event, seller's failure to ship and deliver the quantity of hogs according to the schedule in specified exhibit shall be a default of this agreement and seller shall be liable and buyer shall have the remedies as set forth in specified article herein.

* All hogs shall be scheduled for delivery no later than noon of the Wednesday preceding the week the hogs are to be delivered. The delivery date and time will be set by buyer. Seller hereby grants buyer a right of first refusal to purchase any of seller's other hogs at the rates set forth herein.

* The costs of transporting hogs to buyer's plant shall be borne solely by seller. Seller shall coordinate deliveries with buyer and shall supply buyer with prearranged schedule, acceptable to buyer, listing pick-up and/or delivery times and numbers of hogs to be transported, at least one week prior to the scheduled hog pickups. Seller shall require all truckers comply with the National Pork Board's Trucker Quality Assurance Program.

* During the week prior to delivery, seller agrees to arrange with the buyer hog buyer assigned to seller for the delivery of the hogs under this agreement. Delivery shall be to specified locations as directed by buyer. If seller delivers to a buyer buying station, then seller buying station to the buyer facility.

* This delivery schedule is agreed to by seller and buyer as part of the agreement between seller and buyer. Terms not otherwise defined in this delivery schedule have the meaning set forth in the agreement. When this delivery schedule is executed, seller must choose the delivery schedule to be used, either option one or option two, as set forth below. Seller has indicated its choice by initialing next to the chosen option. Option one: Quarterly Delivery Schedule. Seller agrees that the delivery schedule will be on a quarterly basis, with each quarter consisting of three (3) consecutive calendar months. Seller agrees to sell to buyer, and buyer agrees to buy, the number of hogs shown: specified number. Option two: Monthly Delivery Schedule. Seller agrees that the delivery schedule will be on a monthly basis. Seller agrees to sell to buyer, and buyer agrees to buy, the following number of hogs on a per month basis: specified number

* Seller shall, before 12:00 noon each Thursday furnish to buyer an estimate of the number of hogs to be delivered for the next week, and seller's request for any specific dates and times for such deliveries. Seller shall also deliver an estimate of the total number of hogs to be delivered in the next succeeding week. By 12:00 noon Friday prior to the week of delivery buyer will provide seller with the dates and times for hogs to be delivered

to one of the plants described above, and buyer will reasonably try to accommodate seller's requests for the dates and times of deliveries.

* Seller shall furnish buyer weekly, before 12:00 noon on specified day, an estimate of the quantities of hogs to be shipped during subsequent two (2) week period. Further, seller shall notify buyer of the number of hogs to be delivered on a daily basis before 12:00 noon on specified day previous to the week of delivery, specifying the number of hogs to be delivered each day of the week, Monday through Sunday (if Saturday production is not scheduled for the designated slaughter facility. Then no deliveries shall be scheduled for Saturday, and if Buyer does not require deliveries on Sunday for Monday production at the designated slaughter facility, then no deliveries shall be scheduled for Sunday). Following receipt of such schedule. Buyer shall give instructions as to where such deliveries shall be made.

* This delivery schedule is agreed to by seller and buyer as part of the hog procurement agreement between seller and buyer. Terms not otherwise defined in this delivery schedule have the meaning set forth in the agreement.

* Seller agrees to arrange and schedule with a designated buyer’s representative hogs deliveries to either of specified locations (excluding the specified location unless seller is an approved supplier for buyer’s customer/excluding Canadian origin hogs. Canadian origin hogs will be scheduled to the specified facility). Buyer will use good faith efforts to arrange delivery to the nearest plant when possible. Seller will notify buyer that hogs are ready for delivery no later than, Thursday of the week prior to the week of delivery. By Friday of the week preceding delivery, buyer will schedule and notify seller of the day of the week and the time of day which hogs should be delivered to the designated buyer facility. Buyer and seller will work together to create reasonable schedules for the delivery of hogs. Changes in that schedule will be permitted only by agreement between buyer and seller reached at least twenty-four (24) hours prior to delivery, or unless agreed to otherwise in this agreement. Other buyer plants may be added as delivery points for hogs as mutually agreed to by the parties.

* Seller agrees to arrange and schedule with a designated buyer representative hogs deliveries to buyer's plant located at specified locations. Other buyer plants may be added as delivery points for hogs as mutually agreed to by the parties. Seller will notify buyer that hogs are ready for delivery no later than Thursday of the week prior to the week of delivery. By Friday of the week preceding delivery, buyer will schedule and notify seller of the day of the week and the time of day that hogs should be delivered to the designated buyer facility. Seller and buyer will work together to create reasonable schedules for the delivery of hogs. Changes in that schedule will be permitted only by agreement between seller and buyer reached at least twenty-four hours prior to delivery, or unless provided for otherwise in this agreement.

* This delivery schedule is agreed to by seller and buyer as part of the hog procurement agreement between seller and buyer effective specified date. Seller agrees to sell to buyer, and buyer agrees to buy, the following estimated quantity of hogs during each calendar month under the agreement.

* Seller agrees to deliver hogs under this agreement by arranging delivery with buyer's' hog procurement personnel by specified day of the week prior to delivery, with specific delivery days and times to be determined by buyer. Early, late, Sunday and holiday deliveries will be required. Time is of the essence in the delivery of hogs under this agreement.

* By the fifteenth of each month seller will provide buyer with a report detailing the actual number of weaned pigs placed in the designated production facilities during the immediately preceding month. Buyer agrees to keep such reports confidential.

* Seller shall notify buyer of the number of hogs to be delivered on a daily basis before 12:00 noon on Wednesday previous to the week of delivery, specifying the number of hogs to be delivered each day of the week, Monday through Sunday (if Saturday production is not scheduled for the designated slaughter facility, then no deliveries shall be scheduled for Saturday, and if buyer does not require deliveries on Sunday for Monday production at the designated slaughter facility, then no deliveries shall be scheduled for Sunday). Following receipt of such schedule, buyer shall give instructions as to where such deliveries shall be made.

* Seller shall use its best efforts to ship and deliver to buyer, the hogs, including any available excess hogs, in accordance with the schedule attached as specified exhibit and specified article of this agreement. Seller shall notify buyer at the beginning of each fiscal quarter, of the projected quantity of hogs (including excess hogs) to be shipped and delivered by seller, on a monthly basis, for the current fiscal quarter and the subsequent fiscal quarter. If such notification does not conform to the schedule attached as specified exhibit, then such notification shall include the reason for any variance from such schedule, the actions being taken by seller to remedy any such variance, and when Seller expects to resume deliveries in accordance with such schedule.

* Buyer agrees to cooperate with seller in developing a schedule for the delivery by seller of hogs taking into account the processing capacities and requirements of the processing facility and seller's production schedule. This shall require seller to regularly advise buyer of seller's production schedule. To facilitate the scheduling process, seller shall notify buyer not later than the Monday of the week prior to the scheduled delivery of hogs of the date and time for delivery of each lot, and seller agrees to use its best efforts to comply with such schedule. Seller hereby acknowledges that buyer may adjust the delivery schedule of hogs to the processing facility or reduce the number of hogs to be delivered in any given week to accommodate downtime or decreased capacities at the processing facility.

* Seller agrees to arrange and schedule such deliveries with a designated buyer representative.

* On the first day of each calendar month, seller will provide buyer with a thirteen (13) week marketing projection. If seller chooses to send overage or underage from the acceptable range, buyer reserves the right to implement a charge of up to $5 per hogs delivered during week of violation.

* Seller shall use its best efforts to ship and deliver to buyer, the quantity of hogs, including excess hogs, in accordance with the schedule attached as specified exhibit and specified article of this agreement. Seller shall notify buyer at the beginning of each fiscal quarter, of the projected quantity of hogs (including excess hogs) to be shipped and delivered by seller, on a monthly basis, for the current fiscal quarter and the subsequent fiscal quarter. If such notification does not conform to the schedule attached as specified exhibit, then such notification shall include the reason for any variance from such schedule, the actions being taken by seller to remedy any such variance, and when seller expects to resume deliveries in accordance with such schedule. If seller fails to ship and deliver the quantity of hogs required by this agreement for a period of two consecutive fiscal months, then buyer may, in addition to all other rights and remedies that buyer may have, price any future delivered hogs at the lower of (i) the agreement price, as determined under specified article or (ii) the base cash price, per carcass cwt., as offered by buyer at its plant on the day of delivery of the hogs plus or minus (as the case may be), the carcass merit adjustment (lower-of-the-two pricing”). Should seller ship and deliver a sufficient quantity of hogs to comply with this agreement, buyer shall cease lower-of-the-two pricing. Further, if

seller fails to ship and deliver the quantity of hogs required by this agreement for a period of three consecutive fiscal months, then buyer may, in addition to all other rights and remedies that buyer may have, terminate this agreement. In addition to the above, seller shall furnish buyer weekly, before 12:00 noon on Wednesday, an estimate of the quantities of hogs to be shipped during subsequent two (2) week period.

* By the end of each month, seller will provide buyer with an aggregate monthly estimated market hog delivery report. This report will reflect seller's estimate, based on its actual weaned pig production at the designated production facilities and its anticipated removal rate, of deliveries of hogs to buyer for each of the five months following the immediately preceding month. For example, the February report will reflect January and prior months weaned pig production and will estimate market hog deliveries for the immediately following march through July period. In addition, by the end of each month seller will provide buyer with a report detailing the actual number of pigs waned at the designated production facilities then subject to this agreement. Buyer agrees to keep such reports confidential.

* Subject to buyer's obligation to purchase, and seller's obligation to sell, the quantity of seller's hogs as provided at specified section above, buyer and seller agree that: (i) Each Tuesday by noon buyer shall designate the approximate percentage of hogs to be allocated and delivered to each of buyer's plants for the following week. Seller shall use its best efforts to comply with buyer's request taking into consideration location of the hogs to each plant, Paylean certification, and other factors. (ii) Seller shall, before 12:00 noon each Thursday, furnish to buyer an estimate of the number of hogs to be delivered and the date and time of each delivery for the next week. Seller shall also deliver an estimate of the total number of hogs to be delivered in the next succeeding week.

* The delivery schedule for the annual quantity of hogs by sellers shall be as set forth in the hog flow schedule attached as specified exhibit and incorporated by reference. (i) In order to accurately project and monitor deliveries over the course of the years, the parties further agree as follows (1) Seller shall submit to buyer the initial 24 month exhibit hogs flow schedule projected of hogs as provided to them by affiliate sellers. More accurate projections for nearby deliveries will be updated on the 15th of every month on a rolling basis. The projection received on the 15th shall be entered into buyer's system as a firm volume number. Seller shall ensure delivery the number of hogs entered into buyer's system as a firm volume as uniformly as possible over the month plus or minus a 5/10 variance.

* On the first day of each calendar month, seller will provide buyer with a thirteen (13) week marketing projection. Projection must be within 10 of quarterly marketing numbers on a weekly basis as designated on specified attachment. If monthly projection indicated is more than 15 weekly variation either positive or negative from the quarterly market number, seller and buyer will agree to a number of animals to be added or removed to bring market numbers into compliance. For positive variance above 15 on a weekly basis, buyer reserves the right at its sole option to accept or refuse any hogs available to ship to seller over that amount. If the weekly variance is negative, buyer reserves the right to implement a charge of up to $5 per market hog undelivered during week of violation.

* This delivery schedule is agreed to by seller and buyer as part of the agreement between seller and buyer. Terms not otherwise defined in this delivery schedule have the meaning set forth in the agreement. When this delivery schedule is executed, seller must choose the delivery schedule to be used, either Option One or Option Two, as set forth below. Seller has indicated its choice by initialing next to the chosen option. Option one: Quarterly delivery schedule. Seller agrees that the delivery schedule will be on a quarterly basis, with each quarter consisting of three (3) consecutive calendar months. Seller agrees to sell to buyer, and buyer agrees to

buy, the number of hogs shown below: [Specified Numbers] Option two: Monthly delivery schedule. Seller agrees that the delivery schedule will be on a monthly basis. Seller agrees to sell to buyer, and buyer agrees to buy, the following number of hogs on a per month basis. [Specified number]

* Pursuant to the agreement, seller must arrange delivery of hogs with buyer's hog procurement personnel by of the week prior to the delivery. At the same time, seller must also advise buyer of the day(s) during the following week on which it will deliver forward priced hogs.

* This delivery schedule is agreed to by seller and buyer as part of the hog procurement agreement between seller and buyer. Terms not otherwise defined in this delivery schedule have the meaning set forth in the agreement. By executing this delivery schedule, seller agrees to sell to buyer, and buyer agrees to buy, the following number of hogs as outlined: [Numbers Specified]

* At least every specified days or more often, seller will provide buyer with an updated rolling forecast of all hogs hog deliveries to be made under this agreement over the following specified months (forecast). This forecast will reconfirm the number of hogs detailed on delivery schedules being delivered under Option 1 and Option 2, and must identify the seller or affiliated sellers who will be delivering said hogs under each of the options. This forecast will also outline any additional hogs seller affiliated sellers may have available for purchase by buyer but which are not covered by this agreement.

* Seller represents and warrants to buyer that each projection certificate delivered by seller will be true, accurate and complete in all respects and will reflect seller's good faith projection concerning its annual contracted total production.

* Seller shall use its best efforts to ship and deliver to buyer, the quantity of hogs, including excess hogs, in accordance with the schedule attached and specified article of this agreement. Seller shall notify buyer at the beginning of each fiscal quarter, of the projected quantity of hogs (including excess hogs) to be shipped and delivered by seller, on a monthly basis, for the current fiscal quarter and the subsequent fiscal quarter. If such notification does not conform with the schedule attached, then such notification shall include the reason for any variance from such schedule, the actions being taken by seller to remedy any such variance, and when seller expects to resume deliveries in accordance with such schedule. If seller fails to ship and deliver the quantity of hogs or excess hogs required by this agreement for a period of 1 fiscal quarter, then buyer may, in addition to all other rights and remedies that buyer may have, price any future delivered hogs or excess hogs at the lower of (i) the agreement price, as determined under the specified paragraph (this provision applies to the pricing of undelivered excess hogs), or (ii) the base cash price, per carcass cwt., as offered by buyer at its plant on the day of delivery of the hogs (and/or the excess hogs), plus or minus (as the case may be), the carcass merit adjustment. Further, if seller fails to ship and deliver the quantity of hogs or excess hogs required by this agreement for a period of 2 consecutive fiscal quarters, then buyer may, in addition to all other rights and remedies that buyer may have, terminate this agreement. In addition to the above, seller shall furnish buyer weekly, before 12:00 noon on Wednesday, an estimate of the quantities of hogs to be shipped during subsequent two (2) week period. Further, seller shall notify buyer of the estimated number of excess hogs to be delivered on a daily basis before 12:00 noon on Wednesday previous to the week of delivery, specifying the estimated number of hogs to be delivered each day of the week, Monday through Sunday (if Saturday production is not scheduled for the designated slaughter facility, then no deliveries shall be scheduled for Saturday, and if buyer does not require deliveries on Sunday for Monday production at the designated slaughter facility, then no deliveries shall be scheduled for Sunday). Such daily estimate shall include, and specifically identify the number of, excess hogs to be delivered. Following receipt of such estimate, buyer shall give instructions as to

where such deliveries shall be made. Buyer and seller will each use its best efforts to always provide the other with as much notice as possible of any changes required in the delivery schedule. At any time during the term of this agreement, except for those hogs scheduled to be delivered within the next twenty-four (24) hours, buyer has the option to direct seller to deliver hogs produced under this agreement to slaughter facilities other than specified location, provided that all incremental transportation costs, if any, incurred by seller because of the directive given by buyer are paid to seller by buyer.

* Seller agrees to sell hogs to buyer and buyer agrees to purchase hogs from seller in the quantities and otherwise in accordance with the schedule set forth on specified exhibit hereto which is incorporated by reference hereby.

* The scheduling of the loads for delivery will be made seller one week prior to their anticipated arrival and the quantity of loads delivered each day will be determined by mutual agreement between the parties.

* Prior to 8:00 am on Friday (or the last business day of each week if Friday is a holiday), seller shall provide buyer a report stating the proposed delivery schedule (day, time and slaughter facility) and the number of hogs to be shipped each day during the week commencing on the subsequent Monday through the following Sunday. In the event Saturday production is not scheduled for the designated slaughter facility, then no deliveries shall be scheduled for Saturday.

* Seller shall deliver to buyer: (i) on a weekly basis, a forecast schedule of expected deliveries for each successive thirteen-week period during the term hereof, and (ii) on a weekly basis, a firm commitment for the anticipated delivery of hogs on or before Wednesday noon in the week prior to the week of delivery. The commitment for delivery shall include the quantity to be delivered and the day(s) of the week actual delivery is to occur. Failure to deliver the forecast and delivery commitment on a consistent basis may, at buyer's sole and absolute discretion, constitute a default hereunder.

* The seller shall, upon the extension of the agreement, deliver a projection certification, attached as specified exhibit to the agreement, to buyer representing the seller's good faith projections concerning its annual total production for term of the extension.

* Seller will provide buyer on a quarterly basis the estimated number of hogs that seller will deliver for each month in the following quarter (e.g., on January 1, specified year, seller will provide to the number of hogs the seller estimates will be delivered in April, May and June of specified year). Seller agrees to use good faith efforts to deliver the annual total production on a consistent monthly and weekly basis through each year of the term.

* Seller will provide on a quarterly basis the estimated number of hogs that seller will deliver for each month in the following quarter. Seller agrees to use good faith efforts to deliver the annual total production on a consistent monthly and weekly basis through each year of the term.

* On or before specified date, and each June 1 thereafter, seller, after consultation with buyer regarding buyers projected needs for hogs, shall deliver to buyer an estimate of the number of hogs to be delivered in the following year. The estimate shall be the greater of (1) the amount set forth at specified section, or (2) the prior year's actual deliveries of hogs by seller to buyer plus or minus 10.

* Seller agrees to arrange and schedule with a designated representative, specified hogs deliveries weekly to plant(s) located at specified locations. Other plants may be added as delivery points for hogs as mutually agreed to by the parties.

* The annual total production shall be delivered to buyer in even installments throughout the period of the agreement. In addition to delivering a projection certificate, the seller shall deliver a monthly delivery estimate, attached as specified exhibit to the agreement, to buyer, detailing each delivery installment.

* Seller agrees to arrange and schedule, with a designated buyer representative, hogs deliveries to buyer plant(s) located at specified location. Other plants may be added as delivery points for hogs as mutually agreed to by the parties with the understanding that if buyer requests hogs be moved to another plant, the additional freight costs will be paid for by buyer. Each Thursday, seller will provide to buyer the estimated number of loads, to deliver beginning the Monday that is three weeks after (e.g., if a Thursday falls on the 1st, the estimate would be for deliveries starting on the week of Monday the 26th). Seller will notify buyer of the number and location of the hogs that are ready for delivery no later than Thursday of the week prior to the week of delivery. By Friday of the week preceding delivery, buyer will schedule the loads and notify seller of the day of the week and the time of day that hogs should be delivered to the designated facility. Will make good faith effort to schedule an even number of hogs throughout the week and to include Saturday when schedules Saturday slaughters. Seller and buyer will work together to create reasonable schedules for the delivery of hogs.

* By the 20th day of each month, seller will provide with an estimate of the approximate number of hogs to be delivered for each of the next six (6) months. Seller agrees to use good faith efforts to deliver the annual total production on a consistent monthly and weekly basis through each year of the term. If the seller’s delivery estimates materially change, the seller shall promptly update the estimates and deliver the new estimates to the buyer.

* Prior to midnight on each Tuesday (or the next business day if Tuesday is a holiday), seller shall provide buyer with a preliminary report identifying the number of hogs to be delivered to each of buyer's slaughter facilities during the following week.

* Seller agrees to arrange and schedule with a designated buyer representative hogs deliveries to buyer plant(s) located at specified location. Seller understands that he must be an approved buyer supplier. If seller is unable to maintain buyer supplier status hogs will be delivered to specified alternate location. Other buyer plants may be added as delivery points for hogs as mutually agreed to by the parties. Seller will notify buyer that hogs are ready for delivery no later than Thursday three weeks prior to the week of delivery (i.e., if a Thursday falls on the 1st, the estimate would be for deliveries starting on the week of Monday the 26th). By Friday of the week preceding delivery, buyer will schedule and notify seller of the day of the week and the time of day that hogs should be delivered to the designated buyer facility. Seller and buyer will work together to create reasonable schedules for the delivery of hogs. Changes in that schedule will be permitted only by agreement between seller and buyer reached at least twenty-four hours prior to delivery, or unless provided for otherwise in this agreement.

Volume and Delivery – Volume

* Seller shall sell a minimum of specified number and a maximum of specified number of hogs to buyer during the initial term and be delivered pursuant to the delivery schedule attached.

Swine Packer Marketing Contract Summary – National Other Provisions

* During the initial term and any renewal term of this agreement, seller agrees to deliver and sell under the terms of the agreement the number of hogs shown below. Weekly deliveries must be as uniform as is possible. Seller agrees to deliver the hogs to the buyer delivery plant.

* Notwithstanding any provisions of this agreement to the contrary, seller shall have the right to exclude from the number of hogs otherwise subject to purchase and sale under this agreement to specified number of such hogs per week for sale by seller to specified buyers for a period of specified days from the effective date of this agreement.

* Number of hogs/group: specified number of head / specified number of CME contracts per week

* Specified months following the delivery of the termination notice, seller shall only be obligated to deliver specified percentage of the annual production on a prorated basis.

* This agreement is based on loads of hogs per week. The average number of hog per week shall be approximately specified head per loads. All hogs under this agreement will be Class A or Class B hogs.

* Seller shall make all deliveries to the slaughter facility requested by buyer and as provided in specified section of this agreement at any time as requested by buyer. Seller is obligated to deliver hogs in the amounts set forth below: Specified Numbers

* Seller shall deliver F.O.B. facility hogs pursuant to the following terms. a. Seller agrees to sell and deliver, and agrees to purchase, seller's hogs pursuant to the terms of this agreement. During the term, seller will deliver on an annual basis the following number of hogs: specified number

* Specified number of head per week, Specified number of head per year

* Beginning on the date that this agreement is signed by the parties, seller shall deliver hogs to buyer in substantially equal weekly quantities so as to deliver a total of specified hogs to buyer during the first year of this agreement. Beginning on specified date and continuing each year thereafter during the entire term of this agreement, seller shall deliver to buyer in substantially equal weekly quantities so as to deliver a total of specified hogs to buyer during each such year.

* Seller agrees to supply, and buyer agrees to purchase approximately specified loads, of approximately specified head hogs (plus or minus 1O) each business week, (statutory holidays and weekends excluded) at a live weight between 190-250 pounds, a specified location.

* Seller shall supply to buyer approximately specified hogs per week, equating to an annual total of specified hogs. Additional hogs per week may be purchased and supplied by mutual agreement.

* Seller shall sell to buyer, and buyer shall purchase from seller, pursuant to the terms and conditions of this agreement, a minimum of specified hogs and a maximum of specified hogs per calendar quarter, or specified hogs per week. Until seller has sold to buyer the maximum for any given calendar quarter, all hogs produced by seller at the facilities shall be sold to buyer pursuant to the terms hereof. The number of hogs to be delivered quarterly may be increased upon the written agreement of the parties hereto. Buyer has the first option to buy any additional hogs available at prices equal to offers from other parties after purchase of the maximum. Buyer shall have the option, but not be obligated, to purchase any live non-qualifying hogs which may be sorted off

based on a live hundred weight basis, reflecting the current market value for such hogs as determined by buyer

* Notwithstanding the foregoing, upon the expiration of the six-month period following receipt of the reduction notice, the annual production will decrease to specified number. On the first anniversary of the effective date, the annual total production will decrease to specified number. Thereafter, the annual period shall be each subsequent anniversary of the effective date.

* Buyer shall purchase from seller, and seller shall sell to buyer, the quantity of approximately specified hogs annually (+/- 10), under the terms of the specified pricing described below. Buyer may purchase additional quantities of hogs (in excess of the foregoing amount) from seller, subject to the terms of the specified program or other pricing arrangements mutually agreed to. However, seller is not obligated to sell, and buyer is not obligated to purchase, additional hogs in excess of the quantity provided above. Seller shall be in default hereunder if it fails to consistently supply the quantities of hogs provided for herein. Seller and buyer may also mutually agree to increase the number of hogs applicable to this agreement.

* Seller shall deliver specified hogs satisfying the criteria per week beginning on or about the start date to buyer plants. Seller may request an increase to approximately specified hogs per week, provided that buyer shall not be obligated to provide such increased amount until six months following request. The amount of hogs shall be applied against the delivery requirement in the agreement.

* Seller's annual quantity is specified hogs, plus or minus specified percentage on an annualized basis and plus or minus specified percentage on a quarterly basis, delivering evenly over the annual harvest schedule for the delivery year, as provided by buyer.

* Specified pounds of sows. Weekly target volumes will be specified pounds of sows.

* Seller's weekly volume shall mean a minimum of specified head with a maximum of specified head of hogs delivered to buyer.

* For purposes of specified section, the estimated number of hogs for each annual period shall be reduced upon the occurrence of each the following: (a) receipt of notice from determination to reduce the annual production to specified number the reduction notice; and (b) six months has elapsed from receipt of the reduction notice.

* After notice has been given, this agreement shall continue in full force and effect; provided, however, the quantity of hogs seller is required to sell to buyer and buyer is required to purchase from seller per quarter, as set forth in specified section shall be as follows during the final two(2) years of the agreement.

* Subject to a Force Majeure Event, buyer shall be obligated to purchase hogs up to the maximum quantity in any calendar year, but, in no event, shall buyer be obligated to purchase hogs in excess of the maximum quantity in any calendar year.

* Buyer shall purchase from seller and seller shall sell to buyer, specified number of hogs (+/- 10) per 4 weeks at the specified price.

* Buyer shall purchase from seller and seller shall sell to buyer, all hogs farrowed to seller's sows (contract sows) as indicated in specified schedule provided, however, that the quantities of hogs buyer shall be obligated to purchase from seller shall not differ from the quantities set forth in specified schedule hereto [by more than

ten percent (5/10), plus or minus].

* The parties agree that seller will supply and will purchase specified hogs on a weekly basis during the term, and may schedule deliveries of hogs from associated sellers to meet this requirement provided that during each year of each term of the contracts between. Fifty percent (50) of the total number of hogs delivered pursuant to all three contracts are U.S. origin hogs. Seller shall supply and buyer shall purchase the number of hogs identified above regardless of the number of days the plants are operating during a given week. Buyer is operating on Saturday, or if due to holidays or other reasons plants are operating less than five (5) days during a given week, seller will still deliver specified hogs in such week and the daily deliveries will be decreased or increased appropriately. Seller agrees to arrange and schedule with a designated representative, hog deliveries to plant(s) located at specified location. Other plants may be added as delivery points for hogs as mutually agreed to by the parties. Each Thursday, seller will provide to the estimated number of loads, to deliver in three weeks. Seller will notify the number of hogs and the actual site that are ready for delivery no later than Thursday three weeks prior to the week of delivery. By Friday of the week preceding delivery, buyer will schedule the loads and notify seller of the day of the week and the time of day that hogs should be delivered to the designated facility. Buyer will make good faith effort to schedule an even number of hogs throughout the week, to include Saturday when buyer schedules Saturday slaughters. Seller and buyer work together to create reasonable schedules for the delivery of hogs. Buyer requires seller to deliver hogs, on an even flow daily and at certain times, to enable to process hogs in compliance with country of origin, or any similar law which requires segregation of hogs or pork product ("Law"). In addition, seller may be asked deliver with each load of hogs any affidavit or other document requested by to comply with such law.

* Seller shall deliver specified hogs satisfying the criteria per week. The amount of hogs shall be applied against the delivery requirement in the agreement.

* Seller's annual quantity is specified hogs delivering specified loads each week. The first specified loads from each week will be applied to this agreement. Load meaning specified range head; Seller's annual quantity on the agreement represents all of seller's hogs/ a portion of seller's hogs; Buyer has first right of refusal to the expansion volume of seller starting approximately specified date at the pricing stated in specified exhibit of this agreement for an additional 2 loads per week.

* The agreement is amended from all of the hogs estimated to be specified head annually in specified calendar years, to a specific number of hogs estimated to be specified hogs annually starting specified date through the remainder of the term.

* Approximately specified hogs per week

* Seller shall deliver approximately specified hogs each Thursday during the term F.O.B. specified facility.

* Seller shall deliver specified hogs to buyer each year during the term of this agreement (approximately specified loads per week), except that during the last three (3) months of the six-month period after written notice to terminate has been given by either party, the required quantity of hogs delivered by seller shall be reduced 50.

* Delivery requirements: specified head per month

Swine Packer Marketing Contract Summary – National Other Provisions

* The parties agree that seller will supply and buyer will purchase on a weekly basis approximately specified number hogs during the term regardless of the number of days the buyer plants are operating during a given week.

* Buyer shall accept delivery and purchase from seller during each delivery year no more than 115 of seller's annual contracted total production.

* Delivery schedule will be specified number of loads per week. Any changes to the schedule must be agreed upon by all parties.

* The seller is legally required to provide the number of hogs meeting the specifications in the agreement.
* Number of hogs: specified number

* Seller shall deliver and sell to buyer during each delivery year no less than 85 of its annual contracted total production, regardless of whether that number exceeds seller's total production of hogs.

* Annual period hog numbers: 100 hog production

* This contract requires a long-term commitment by the seller to deliver a specific number of hogs.

* Seller agrees to sell to buyer and buyer agrees to buy the following number of hogs.

* Seller shall deliver and sell to buyer during each delivery year the number of hogs, even if that number of hogs exceeds seller's total production of hogs.

* For each following agreement year, seller shall deliver and sell to buyer, and buyer shall purchase, no less than the estimated number of hogs (as determined by subparagraph above).

* Specified number of loads per week or specified loads per month

* Except as otherwise set forth herein. During each of the fiscal years provided for under this agreement, buyer shall accept delivery and purchase, and seller shall deliver and sell the number of hogs per fiscal year, from the designated production facilities, as set forth below.

* Buyer agrees to accept delivery and purchase from seller and seller agrees to deliver and sell to buyer, seller's annual total production, subject to the following terms and conditions.

* Specified head production (estimated to be specified annual head)

* Buyer shall purchase from seller, and seller shall sell to buyer, the quantity of specified number +/- 5 annually, under the terms of the carcass merit program described below. On short production or holiday week, buyer may require seller to reduce the number of loads marketed. Buyer may purchase additional quantities of hogs (in excess of the foregoing amount) from seller, subject to the terms of the standard carcass merit program, or other payment method mutually agreed to. However, seller is not obligated to sell, and buyer is not obligated to purchase, additional hogs in excess of the quantity provided above. Seller shall be in default hereunder if it fails to consistently supply the quantities of hogs provided for herein.

* The total number of sows at the designated production facilities to be covered by this agreement when only specified sow farms are subject to this agreement shall not exceed 63,000. The total number of sows at the designated production facilities to be covered by this agreement when both specified sow farms are subject to this agreement shall not exceed 153,800. Allocations shall be made for multiplication farms that seller utilizes to produce breeding stock for seller, so that only the sows proportionate to the approximate number of barrows produced by such multiplication farm(s) are covered by this agreement.

* Seller agrees to deliver all of the hogs seller has to sell on an annual basis estimated to be as follows: annual Period estimated hog numbers

* Seller agrees to deliver the following specific number of hogs on an annual basis.

* Estimated annual volume: specified number

* Subject to the limitations provided herein, the parties agree that seller will supply and buyer will purchase on an annual basis specified hogs during each year of the term.

Volume and Delivery - Volume Definitions

* Delivery week means each calendar week during the term or any renewed or extended term hereof beginning at 12:01 A.M. on Sunday and ending at 11:59 P.M. on the following Saturday.

* Minimum quantity shall mean the minimum total annual number of hogs required to be sold by seller to buyer during the specified calendar year.

* Delivery year means each period of the term and any renewed or extended term hereof consisting of fifty-two consecutive delivery weeks.

* Seller's year-to-date quarterly quantity shall mean the number of hogs that seller is obligated to deliver to buyer pursuant to this agreement from January 1 to the ending date for the first, second, or third fiscal quarter, which is equal to seller's year-to-date required deliveries calculated from January 1 to the ending date of such fiscal quarter, less any reduction of such number by buyer during a delivery year pursuant to specified sections. Examples illustrating the effect of changes in the number of days in a week buyer will process hogs are attached on specified schedule hereto.

* Delivery Year shall mean the period commencing on the effective date of this agreement and ending on December 31 of that same year, and each successive 12 month period commencing on January 1 and ending on December 31 until this agreement is terminated in accordance with its terms.

* Annual contracted total production means with respect to any period the number of hogs that seller in good faith believes will be produced by seller or on his behalf during such period, as set forth on seller's projection certificate.

* Maximum quantity shall mean the maximum total annual number of hogs required to be purchased by buyer from seller during the specified calendar year.

* Seller's monthly quantity shall equal the sum of seller's daily quantity for each day in the relevant fiscal month of the delivery year.

* Quarter means each of the four, three month periods in each calendar year commencing on January 1, April 1, July 1, and October 1.

* Projection forms shall mean the form or forms provided from time to time by buyer to seller to be used by seller to provide buyer with information regarding the number and timing of available hogs produced by seller.

* Replacement quantity shall mean (i) with respect to any failure by seller to deliver seller's weekly quantity, the difference between (a) seller's minimum weekly quantity of hogs and (b) the actual number of hogs delivered by seller to buyer during such week.

* The minimum monthly hog quantity will be eighty percent (80) of the expected hog quantity for each month, or specified hogs per month.

* Seller's annual quantity shall mean the number of hogs for each delivery year equal to (a) seller's quantity plus, (b) if applicable, seller's default quantity, plus (c) if applicable, seller's deficient hogs, minus (d) if applicable, seller's excess hogs, minus (e) any reduction of such number by buyer during a delivery year pursuant to specified sections, in each case for each full delivery year or pro rata portion thereof for less than a full delivery year.

* Seller's quarterly quantity shall mean the number of hogs delivered to buyer during any quarterly period of the delivery year at least equal to 23.0 of seller's annual quantity but not more than 27.0 of seller’s annual quantity of hogs, less any reduction of such number by buyer during such quarterly period pursuant to specified paragraph.

* Projection certificate means each certificate prepared and delivered by seller to buyer pursuant to specified section of the agreement, each of which shall be substantially in the form attached hereto as specified exhibit.

* Seller's annual quantity shall mean the number of hogs that seller is obligated to deliver to buyer in each delivery year as set forth on specified exhibit in each delivery year.

* Seller's ownership quantity shall mean the number of hogs that seller is obligated to deliver to buyer in each full delivery year (or pro rata portion thereof if less than a full delivery year) and shall be determined by multiplying each seller's percentage interest times the total requirement. If a change in the seller's quantity occurs at a time other than the end of a delivery year, then seller's annual quantity, seller's daily quantity, seller's year-to-date quarterly quantity, seller's weekly quantity, and, if applicable, seller's default quantity will all be appropriately adjusted by buyer by written notice from buyer to seller.

* Period means each period set forth on a projection certificate, each year of which begins on January 1 and ends on December 31.

* Seller's adjusted annual quantity shall mean the number of hogs that seller is obligated to deliver to buyer in each delivery year as set forth on specified exhibit, less a reduction in direct proportion to the fraction of a year included in the first delivery year or the last delivery year, and less any reduction of such number by buyer during a delivery year pursuant to specified paragraph.

* Seller's year-to-date required deliveries as of any date in any year shall mean the accumulated sum of each seller's daily quantity in effect on each day of such year from January 1 to the date in question.

* Replacement Quantity shall mean the difference between (a) seller's annual quantity of hogs minus (b) the actual number of hogs delivered by seller to buyer during such delivery year.

* Required annual quantity shall mean, during all but the last twelve (12) months of the term, the number of hogs delivered by seller that is at least equal to the minimum quantity, as specified on specified exhibit for the applicable calendar year, but not in excess of the maximum quantity, as specified on specified exhibit for the applicable calendar year.

* Seller's weekly quantity shall mean the most recent seller's daily quantity multiplied by the total number of operating days for the processing facilities scheduled for such calendar week as determined by buyer, less any reduction of such number by buyer during a delivery year pursuant to specified sections.

Volume and Delivery - Volume Scheduling

* The parties acknowledge that variables in hog production, including, but not limited to, growth rates, born alive, livability, swine disease and/or other unpredictable factors such as weather can vary hog loads available from week to week and the load numbers available each week could vary from seventy-two (72) to eighty-eight (88) loads. Notwithstanding the foregoing, it is the intent of the Parties that seller shall deliver and buyer shall accept an average of eighty (80) loads of Market Hogs per week.

* Seller agrees to sell to buyer under this agreement, and buyer agrees to buy, hogs in the quantities specified in the delivery schedule. The quantity of hogs must be the same for each delivery period during the term of this agreement.

* The foregoing fiscal year delivery requirements are broken down into our monthly and fiscal quarter delivery requirements. These monthly and fiscal quarter delivery requirements are identified on specified exhibit. The foregoing yearly delivery requirements and the delivery requirements on specified exhibit may be modified by mutual agreement of the parties after seller has determined the number of finishing spaces that are acquired by specified date. Notwithstanding the foregoing, the final yearly delivery requirements shall not be less than specified number or more than specified number hogs. At such time that the delivery requirements are adjusted by mutual agreement of the parties the buyer shall update exhibits to this agreement in accord with such adjustments. The parties agree that no formal written amendment will be required for such updates to exhibits.

* During the term of this agreement, and subject to the terms and conditions hereinafter set forth, buyer agrees to purchase, and seller agrees to sell and deliver that number of hogs determined as follows: buyer agrees to purchase and seller agrees to sell and deliver during each calendar month during the term of this agreement, all hogs actually produced by seller and any affiliate of seller up to a maximum of specified number of hogs per month. Seller shall give buyer at least ninety (90) days' prior written notice that its monthly production of hogs will continuously exceed specified number. Within thirty (30) days of the receipt of such notice, buyer shall have the option, but not the obligation, to increase the number of hogs subject to the terms of this agreement by giving written notice to seller of the increased number of hogs that will be subject to the terms of this agreement. Seller shall have the right to sell, free of this agreement, all hogs in excess of the specified number per month which have not been placed under this agreement by buyer exercising the option herein established.

* Facilitator agrees to cause sellers to deliver and sell under the terms of the agreement specified head of hogs annually, which is approximately specified market hogs per month. Facilitator is allowed a variance of specified percentage per month under or over the delivery requirement. Weekly deliveries must be as uniform as is possible.

* Seller agrees to sell to buyer under this agreement, and buyer agrees to buy, hogs in the quantities specified in the delivery schedule attached as specified exhibit. [Sellers becoming obligated hereunder agree to sell and deliver hogs to buyer pursuant to the terms of this agreement made applicable to sellers, the terms of the seller agreement and the terms of the seller delivery schedules executed by such sellers. Each seller specifically agrees to deliver the quantity of hogs identified in such seller's delivery schedule.]

* Beginning on specified date, seller shall deliver to 100 of seller's hogs from approximately specified sows as designated on specified schedule and seller shall continue to deliver 100 of seller's hogs from such approximately specified sows, estimated at the time this agreement is executed to be specified hogs annually. Thereafter, seller shall continue to deliver 100 of seller's hogs from the initial sows through the remainder of the term, as such term is hereinafter defined.

* Seller shall deliver to buyer a minimum of specified [hogs/loads of hogs] per delivery period, in accordance with delivery schedule established by seller/facilitator and buyer.

* The parties anticipate that starting specified dates, seller shall deliver one to two hog loads per week, from specified date, seller shall deliver two to three loads per week, and beginning specified date through the remainder of the term seller shall deliver seven to eight loads of hogs per week (with each load consisting of approximately 165 hogs).

* Seller shall provide transportation of hogs in quantities set forth in specified exhibit at seller's expense to the slaughter facility of buyer located at specified location.

* For hogs delivered under specified pricing option, the quantity of hogs delivered on all of specified option price selections for each specified period of time on this agreement are set forth below.

* At a date to occur in specified range, which exact date the parties shall mutually agree upon, and in no event a date later than specified date, seller shall deliver to buyer 100 of seller's hogs from an additional approximately specified sows as designated on specified schedule, estimated at the time this agreement is executed to be an additional hogs annually. Thereafter, seller shall continue to deliver 100 of seller's hogs from the additional sows through the remainder of the term.

* Seller will deliver qualifying hogs to buyer at the date and time required by buyer to specified process plant, as required by buyer, regardless of the delivery location identified in the qualifying delivery schedule. However, if the location required by buyer is different than the location identified in the qualifying delivery schedule, buyer will pay seller for additional freight costs incurred by such delivery pursuant to buyer's then current standard livestock freight schedule.

* The expected weekly number of hogs shall be approximately specified hogs, scheduled for delivery on a day and time directed by buyer.

* Seller will supply and buyer will purchase on a weekly basis between specified numbers of hogs regardless of the number of days the buyer's plants are operating during a given week, but in any event not less than specified hogs per each calendar quarter during the term. Seller and buyer will make good faith effort to schedule an even number of hogs throughout the week and to include Saturday when buyer schedules Saturday slaughters. Seller and buyer will work together to create reasonable schedules for the delivery of hogs.

* Except as otherwise set forth herein, during each of the fiscal years provided for under this agreement (fiscal year, for the purposes of this agreement, shall begin April 1 and end March 31), buyer shall accept delivery and purchase, and seller shall deliver and sell the number of hogs per fiscal year, from the designated production facilities, as set forth below. In addition to the above, such fiscal year quantities are set forth on the schedule attached as specified exhibit, and are further detailed, on such schedule, on a monthly and fiscal quarter basis.

* Seller's deliveries of hogs will be approximately specified hogs per week or specified hogs per month. Seller understands that weekly delivery numbers should be as uniform as possible, and seller will make commercially reasonable efforts to make uniform deliveries.

* Beginning on specified date and thereafter for the remainder of the term of the agreement, seller agrees to sell to buyer, and buyer agrees to buy from seller, specified number. Deliveries for the month during which the agreement is terminated will be pro-rated to the termination date.

* Seller will use its best efforts to deliver the monthly quantity of market hogs according to this delivery schedule and will deliver the monthly quantity of hogs within specified amount above or below the monthly quantity stated above.

* The quantity of hogs bought and sold will be specified hogs per year, and generally scheduled as specified loads on each plant operating day. All hogs will be priced per the terms of this agreement as set forth below.

* Seller will use its best commercially reasonable efforts to deliver to and buyer will use its best commercially reasonable efforts to accept from seller, the annual total production of hogs on an even and consistent basis over the term. However, due to potential herd health or production related issues the parties agree that on a weekly basis seller will deliver, and will accept, a minimum of specified hogs and a maximum of specified hogs during the term, and on a quarterly basis seller will deliver a minimum of specified hogs and a maximum of specified hogs during each quarter of the year of the term. Any change to the weekly delivery requirements will be mutually agreed to by the parties.

* Notwithstanding the above, during the 12 month period provided in specified section the parties agree to step-down deliveries each month on a pro-rata basis, and during each month the deliveries will decrease by approximately specified hogs.

* Starting specified date, seller, shall sell a minimum of specified head of hogs per year to buyer, which hogs shall be purchased and received or, if applicable, rejected as set forth in this agreement. The parties, in recognition of the uncertainties of hog production, acknowledge and agree that a five/ten percent increase or decrease in the annual delivery (i.e. an annual delivery of hogs) shall be permitted under the terms of this agreement.

* The first delivery of hogs by seller will begin on the date specified in a written notice by buyer to seller. During the start-up period, buyer may require seller to reduce its delivery obligation of hogs proportionately.

* Seller agrees to sell to buyer, and buyer agrees to buy, specified hogs per delivery period, or specified hogs per year. The quantity of hogs must be the same for each delivery period during the term of this agreement.

* Seller agrees that the delivery schedule will be on a monthly basis. Seller agrees to sell to buyer, and buyer agrees to buy, approximately specified number hogs per month, which equals specified hogs annually. Seller agrees that it will inform buyer in advance if seller expects to deliver more than specified above the amounts shown in the delivery schedule. Any excess quantities of hogs accepted by buyer will be paid at the agreement price but will not be deemed to compensate for prior or future deficit monthly quantities.

* Deliveries of hogs under the agreement will start with delivery period beginning specified date and continue with seller making deliveries of hogs in each half-month delivery period specified in the table on specified exhibit, in the column marked delivery period.

* Seller shall use good faith efforts to meet buyer's early delivery requirements (arrival at least two hours prior to the facility start-up) for up to specified number loads per day to specified location at mutually agreed early delivery times for such specified number loads per day.

* Buyer shall purchase from seller, and seller shall sell to buyer, during the term of this agreement identified on specified schedule (and during any subsequent terms) all hogs farrowed by seller's sows identified on specified schedule (contract sows); provided, however, that the quantities of hogs seller shall be obligated to sell to buyer and buyer shall be obligated to purchase from seller shall not differ from the quantities set forth in specified schedule by more than 10 every 3 weeks. [20 on a weekly basis, 15 on a monthly basis, 10 on an annual basis]. Seller shall use its best efforts to make these hogs available under this agreement as soon as possible, but shall not be obligated to do so after the termination dates specified therein.

* Seller shall deliver, and if such hogs meet the standards, buyer shall purchase, the following quantity of hogs pursuant to the specified price and the carcass merit program. Seller shall sell all hogs produced as uniformly as possible throughout the agreement year to buyer: a. Number of Hogs; 1. The number of hogs stated in specified section represents specified percent of hogs produced by seller; 2. Seller's flow shall follow the schedule set forth on specified exhibit as closely as possible. Any changes to such flow must be approved in advance by buyer; 3. Notwithstanding the volume requirement above, from specified date through specified date the number of hogs delivered will be specified number; 4. Additional number of hogs due to production fluctuations throughout the agreement year to buyer to specified facilities.

* Following the termination date and during the wind down period of this agreement, seller will continue to sell and deliver to buyer, and buyer will continue to purchase from seller, hogs as set forth below.: Year# Approximate Quantity per Month; At the end of two years following the Termination Date, this agreement will end and seller will cease to sell, and buyer will cease to purchase, hogs under this agreement

* During the term subject to specified section, seller shall use its best efforts to deliver seller's daily quantity, seller's weekly quantity, seller's year-to-date quarterly quantity, and seller's annual quantity of hogs.

* Seller's daily quantity shall mean as of any date (a) the difference of seller's annual quantity minus seller's year-to-date required deliveries(s) divided by (b) the total number of operating days for the processing facilities remaining for the current fiscal year as estimated by buyer as of such date, less any reduction of such quantity by buyer pursuant to specified paragraph.

* Seller agrees that the delivery schedule will be on a monthly basis. Seller agrees to sell to buyer, and buyer agrees to buy, specified head per month, which equals specified hogs annually.

* Seller agrees to sell and deliver, and buyer agrees to purchase, seller's hogs pursuant to the terms of this agreement. During the term, seller will deliver on an annual basis the following number of hogs (annual production).

* Deliveries of hogs shall be on a monthly basis in accordance with the following: 1. Beginning delivery date: specified date; provided, however, if the plant is not ready to receive hogs on the beginning delivery date, such deferred delivery date as may be specified by buyer to seller at least thirty (30) days in advance. In the event that a deferred delivery date is specified by buyer, buyer will give priority to contracted hogs to be slaughtered first as the availability of slaughter capacity at the plant permits. 2. Total annual hog delivery Requirement: specified number 3. Total monthly hog delivery requirement: specified number 4. The annual delivery requirement is subject to a 5 deviation without penalty, breach or default imposed herein. Monthly or weekly deliveries must be as uniform as possible.

* In addition to the quantity of hogs to be sold by seller to buyer under the agreement (as may be detailed in the delivery schedule executed in connection therewith), seller agrees to sell to buyer, and buyer agrees to buy, hogs in the quantities specified in the delivery schedule attached as specified exhibit. For avoidance of doubt, the attached delivery schedule supplements (but does not replace or amend) any other delivery schedule executed in connection with the agreement.

* Seller's annual quantity is specified hogs, plus or minus specified percentage on an annualized basis and plus or minus specified percentage on a quarterly basis, delivered evenly each week over the annual harvest schedule for the delivery year, as provided by buyer. Seller's annual quantity on the agreement represents all/ a portion of seller's hogs.

* Except as otherwise set forth herein, during each of the fiscal years provided for under this agreement (fiscal year, for the purposes of this agreement, shall begin October 1 and end September 30), buyer shall accept delivery and purchase, and seller shall deliver and sell the number of hogs per fiscal year, from the designated production facilities, as set forth below. The annual quantities committed will be distributed by month based on historic seasonality.

* Seller shall use its best efforts to ship and deliver to buyer, the quantity of hogs, including excess hogs, in accordance with the schedule attached as specified exhibit of this agreement.

* Seller will deliver to buyer all of seller's hogs finished in the designated geographic area, up to the maximum number of hogs each calendar year. Seller shall have the right to deliver to buyer hogs produced outside the designated geographic area in order to satisfy the delivery requirement of the minimum number of hogs. Within the minimum number of hogs and the maximum number of hogs, seller may deliver to buyer hogs produced outside the designated geographic area at the option of seller.

* Seller shall deliver such hogs on a ratable basis throughout the term.

* Deliveries of hogs shall be on a monthly basis in accordance with the following: 1. Beginning delivery date: specified date 2. Total annual hog delivery requirement: specified number3. Total monthly hog delivery requirement: specified number

* During each year of the term, the parties agree that on a weekly basis seller will deliver specified loads of hogs per week (approx. specified head). Any change to the weekly delivery requirement will be mutually agreed upon by the parties in writing.

* Subject to the potential increases as provided herein, the parties agree that seller will supply and buyer will purchase on a monthly basis specified hogs per day during the term. The specified head per day is based on a five day week and excludes holidays when buyer plants are not operating; however, if buyer is processing on Saturdays the parties will mutually agree if hogs will be delivered under agreement on Saturdays. The parties agree that on a daily basis seller will be allowed to deliver between specified range per day; however, on average seller must deliver specified head of hogs per day during each week. If buyer operates its plants more than five days in a given week, any deliveries on the sixth or seventh day will be mutually agreed upon by the parties.

* Except as otherwise set forth herein, during each of the fiscal years provided for under this agreement (fiscal year, for the purposes of this agreement, shall begin January 1 and end December 31), Buyer shall accept delivery and purchase, and seller shall deliver and sell the number of hogs per fiscal year, from the designated production facilities. In addition to the above, such fiscal year quantities are set forth on the schedule attached as specified exhibit, and are further detailed, on such schedule, on a quarterly basis. (i) The above schedule is less than the total quantity of hogs produced by seller, at the designated production facilities, on both a historical and current basis. Hog production at the designated production facilities, which is in excess of the quantity set forth above (excess hogs), and the fiscal month during which said excess hogs are produced, is set forth on the schedule attached hereto as specified exhibit. (ii) Seller shall use its best efforts to produce, deliver and sell to buyer the quantity of excess hogs identified on specified exhibit. Buyer shall accept and purchase said excess hogs in accordance with the terms for acceptance and purchase in this agreement. Notwithstanding the foregoing, buyer shall have no obligation to buy any excess hogs once the seller has sold buyer those quantities identified on specified exhibit. (iii) As set forth in specified section, seller shall not be relieved of its obligation to deliver and sell hogs to buyer, in the quantity set forth above, for any reason that does not constitute a Force Majeure Event. If any event occurs, which may possibly affect seller's obligation to deliver and sell hogs in the quantity set forth above and which is not a Force Majeure Event, then seller shall give buyer prompt written notice describing such event and seller's plan to remedy such event. In addition, any failure of seller to deliver and sell hogs to buyer, in the fiscal year quantity set forth above, shall be a material default under this agreement. (iv) By the fifteenth of each month seller will provide buyer with a report detailing the actual number of weaned pigs placed in the designated production facilities during the immediately preceding month. Buyer agrees to keep such reports confidential.

* Seller shall sell to buyer and buyer shall purchase from seller the hogs produced by seller which shall be from specified date through specified date; specified hogs per month and specified date forward at specified hogs per month. It is expected that this number shall not vary by more than + 10 in total. However, should circumstances arise that would create a greater variance than this, seller will notify buyer as soon as seller can accurately determine the variance and will inform buyer as to the reason for the variance.

* Loads shall be scheduled for delivery to buyer between 7:00 AM and 8:00 AM on Monday, Tuesday, Thursday, and Friday each calendar week, subject to change by mutual agreement between seller and buyer.

* Each seller acknowledges that it bears the risk of hog production shortfalls. Weekly quantities of hogs delivered hereunder must be as uniform as is possible. Each seller must provide buyer with written notice of any significant changes in its scheduled hog production as soon as such seller identifies such changes.

Swine Packer Marketing Contract Summary – National Other Provisions

* This delivery schedule is agreed to by seller and buyer as part of the hog procurement agreement between seller and buyer. Terms not otherwise defined in this delivery schedule have the meaning set forth in the agreement. Seller agrees that the delivery schedule will be on a monthly basis. Seller agrees to sell to buyer, and buyer agrees to buy, the number of hogs shown on the following table:

* This delivery schedule is agreed to by seller and buyer as part of the hog procurement agreement between seller and buyer. Seller agrees that the delivery schedule will be on a monthly basis. Seller agrees to sell to buyer, and buyer agrees to buy approximately specified number hogs per month, with a minimum monthly hog's quantity of specified number hogs per month. Seller understands that weekly delivery numbers should be as uniform as possible, and seller will make commercially reasonable efforts to make uniform deliveries. This delivery schedule can be amended at any time upon mutual written agreement of the parties.

* Seller agrees to sell to buyer under this agreement, and buyer agrees to buy, hogs as provided for in this section and in the monthly quantities specified in the delivery schedule made part of this agreement (the delivery schedule). Seller intends to deliver to buyer specified number hogs per year with any additional hogs to be included in the delivery schedule at buyer's discretion. Seller is already making hogs deliveries under the original agreement. At the beginning of each calendar quarter, seller will provide buyer with an updated weekly hog delivery schedule for the next 12 weeks. In addition, at the beginning of each calendar month, seller will provide buyer with an estimated hog's delivery schedule for the next 6 months, with a breakdown of hogs per month.

* Buyer and seller shall cooperate in the orderly scheduling and delivery of hogs during the week to accommodate the process and requirements at buyer's plant. Buyer and seller shall further cooperate to insure, to the greatest extent practical, that during the summer months the hogs will be delivered to buyer during the cooler times of the day as is possible. Buyer and seller also cooperate as to Saturday deliveries. Seller will also guarantee to buyer at least ten percent (10) of the loads of hogs to be delivered each Sunday night as needed by buyer.

* Seller shall maintain a consistent weekly delivery of hogs to buyer. Seller shall deliver approximately specified number hogs each week or approximately specified number loads of hogs each week, throughout the duration of this agreement. Seller and buyer shall cooperate to insure, to the greatest extent practical, that Seller can deliver required hogs per week to buyer and that during the summer months the hogs will be delivered to buyer during the cooler times of the day. Seller shall fax a delivery schedule to buyer on the Thursday prior to the delivery of hogs.

* Seller agrees that the delivery schedule will be on a [monthly/quarterly] basis. Seller agrees to sell to buyer, and buyer agrees to buy approximately [specified number qualifying hogs per month/number qualifying hogs shown below]. Each quarter consists of three (3) consecutive calendar months,

* Facilitator agrees to cause sellers to sell and deliver hogs to buyer under this agreement, and buyer agrees to buy such hogs in the quantities specified in the delivery schedule attached as specified exhibit (delivery schedule). Sellers becoming obligated hereunder agree to sell and deliver hogs to buyer pursuant to the terms of this agreement made applicable to sellers, the terms of the seller agreement and the terms of the seller delivery schedules executed by such sellers. Each seller specifically agrees to deliver the quantity of hogs identified in such seller's delivery schedule.

* Schedule hogs Wednesday noon, week prior

Swine Packer Marketing Contract Summary – National Other Provisions

* The parties agree that seller will supply and buyer will purchase specified number hogs on a weekly basis during the term, and may schedule deliveries of hogs from seller and seller affiliates to meet this requirement provided that during each year of each term of the contracts between buyer and seller. Fifty percent (50) of the total number of hogs delivered pursuant to all agreements are U.S. origin hogs. Seller shall supply and buyer shall purchase the number of hogs identified above regardless of the number of days the plants are operating during a given week. If is operating on Saturday, or if due to holidays or other reasons plants are operating less than five (5) days during a given week, seller will still deliver specified number of hogs in such week and the daily deliveries will be decreased or increased appropriately.

* The parties anticipate that on a daily basis seller will deliver between specified numbers head per day; however, seller must deliver between specified numbers hogs per week. If buyer is operating on Saturday, or if due to holidays or other reasons buyer plants are operating less than five (5) days during a given week, seller will still deliver between specified numbers hogs in such week and the daily deliveries will be decreased or increased appropriately.

* Seller shall deliver or shall cause seller affiliates to deliver F.O.B. buyer facility hogs pursuant to the following terms. Hogs delivered by seller, or seller affiliate, shall be considered seller hogs. Seller agrees to sell and deliver, and buyer agrees to purchase, seller's hogs pursuant to the terms of this agreement. During the term, seller will deliver on an annual basis the following number of hogs (annual production). Hogs delivered by seller affiliates shall be considered seller hogs. [Schedule of delivery quantities]

* Delivery schedule will be an average of specified number of loads per week. The first week of each month will be specified number loads. The second and third week of the month will be specified number loads. The fourth week of each month will be specified number loads. For months having five (5) weeks, the fifth week would be specified number loads. The schedule would be worked to try to maintain a specified number load average. Any changes to the schedule must be agreed upon by all parties.

* To be delivered every: [specified number each week/number of loads per week/minimum loads per quarter/maximum annually without buyer review/per schedule/every other Wednesday]

* To be delivered every: Scheduled a week prior; Time: Sunday-Saturday/Monday – Saturday

* To be delivered every: Monday & Wed; Time: specified time

* To be delivered every: Facilitator Weekly Schedule; Time: Sunday-Saturday

* Seller agrees to sell to buyer under this agreement, and buyer agrees to buy, hogs as provided for in this section and in the estimated monthly quantities specified in the delivery schedule made part of this agreement (the delivery schedule). Seller and buyer shall in good faith agree on and sign the delivery schedule within 60 days of the date this agreement is signed, and the delivery schedule will be revised when necessary. The parties understand and agree that there will be normal seasonal variation in the numbers of hogs produced, and the parties agree to build this variation into the delivery schedule.

* During the term hereof, buyer shall purchase hogs from seller and seller shall sell to buyer qualifying hogs according to the schedule shall set forth herein. The purchase price shall be determined In accordance with the terms and conditions hereof.

* Except as otherwise set forth herein, during each of the fiscal years provided for under this agreement (fiscal year, for the purposes of this agreement, shall begin January 1 and end December 31), Buyer shall accept delivery and purchase, and seller shall deliver and sell the number of hogs per fiscal year, from the designated production facilities, as specified.

* Seller agrees to arrange and schedule, with a designated buyer representative, specified loads of hogs weekly (approximately specified hogs) to buyer plant(s) located at specified locations. Other buyer plants may be added as delivery points for hogs as mutually agreed to by the parties.

* Annual Period specified year: specified hogs and through term specified hogs annually.

* The parties agree that seller will supply and buyer will purchase specified number hogs on a weekly basis regardless of the number of days the buyer plants are operating during a given week. The parties anticipate that on a daily basis seller will deliver between specified numbers head per day; however, seller must deliver between specified numbers hogs per week. If buyer is operating on Saturday, or if due to holidays or other reasons buyer plants are operating less than five (5) days during a given week, seller will still deliver between specified numbers hogs in such week and the daily deliveries will be decreased or increased appropriately.

* Seller shall deliver to buyer specified hogs for the year commencing specified date and ending specified date.

* Buyer shall purchase from seller, and seller shall sell to buyer, during the term of this agreement identified on specified schedule seller shall use its best efforts to make these pigs available under this agreement as soon as possible, but shall not be obligated to do so after the term expires in accordance with specified section.

* Beginning on specified date, buyer shall purchase from seller, and seller shall sell to buyer, the specified quantity of loads of hogs (approximately specified hogs) per week, equivalent to specified hogs annually, under the terms of the specified pricing as modified. Buyer may purchase additional quantities of hogs (in excess of the foregoing amount) from seller, subject to terms mutually agreed to by the parties.

* Seller will market specified head annually to buyer. Hog volume will be evenly distributed and delivered throughout the year and submitted on specified exhibit. Buyer shall have the right of first refusal on any additional volume. Hogs will be scheduled no later than Wednesday 11:59 a.m. preceding the next delivery week. Delivery date and time will be mutually agreed upon between buyer and seller.

* Seller agrees to deliver hogs to the plant, and buyer agrees to accept deliveries of said hogs in approximately pro-rata quantities on a weekly and daily basis until the end of the term of this agreement. Buyer shall work with seller to schedule the deliveries by seller sufficiently in advance to accommodate the processing capacities and requirements of the plant and within the constraints of seller's production schedule, as follows: buyer shall notify seller not later than Tuesday of the week prior to the scheduled delivery of the number of days buyer will be processing hogs that week, and seller and buyer shall agree in good faith to a delivery schedule that includes delivering an approximate equal number of head each processing day.

* This delivery schedule is agreed to by seller and buyer as part of the hog procurement agreement between seller and buyer. Terms not otherwise defined in this delivery schedule have the meaning set forth in the agreement. Seller agrees to cause affiliated sellers to deliver and sell under the terms of the agreement specified head of hogs annually, which is approximately specified hogs per month. Seller is allowed a variance of specified percentage per month under or over the delivery requirement. Weekly deliveries must be as uniform

as is possible.

* Seller agrees to deliver approximately specified head on a consistent monthly basis in specified years and approximately specified head monthly in specified year and through the term of the agreement. Seller also agrees to spread these deliveries evenly on a weekly basis through each year of the term.

* Except as otherwise provided in the agreement or this schedule, during each calendar month of the schedule buyer will purchase and seller will supply, between specified numbers of sows. All sows will be delivered by seller to buyer at specified location. Although seller will not be required to supply more the than the minimum purchase quantity, seller agrees that buyer will be considered a preferred customer and, as such, seller will use commercially reasonable efforts to satisfy buyer's desire to purchase any additional quantities of sows from seller, taking into account any contractual commitments seller may have to its remaining customers at the time of such intended purchases and prior to its accepting orders from any new customers.

* Seller shall use its best efforts to ship and deliver to buyer, the quantity of hogs, including excess hogs, in accordance with the schedule attached as specified exhibit and specified article of this agreement. Seller shall notify buyer at the beginning of each fiscal quarter, of the projected quantity of hogs including excess hogs) to be shipped and delivered by seller, on a monthly basis, for the current fiscal quarter and the subsequent fiscal quarter.

* Seller agrees to sell and deliver, and buyer agrees to purchase, seller's hogs pursuant to the terms of this agreement. During the term, seller will deliver on an annual basis the following number of hogs (annual production): specified year specified number hogs; specified year through term: 100 of production

* Seller will provide buyer on November first of each year the approximate number of hogs to be delivered on a monthly basis for the next year. Seller will use his best efforts to deliver to buyer the scheduled annual total production of hogs on an even and consistent basis over each year of the term. If the seller's delivery estimates change, the seller shall update the estimates immediately and deliver the new estimate to buyer.

* Facilitator agrees to coordinate the scheduling of hogs so that sellers deliver approximately specified number head on a weekly basis through each year of the term.

* Seller has the right to schedule the first specified number every week at their discretion. The balance of the weekly hogs sales are scheduled by buyer procurement with notice given to seller by 10:30 A.M. day prior to day of requested delivery. Additional freight is paid if delivery to plants other than specified location is requested.

* Seller agrees to sell, and buyer agrees to purchase, seller's hogs, as defined in attached schedule. During the term, seller will deliver on an annual basis the following number of hogs: Annual Period specified years and through term

* Seller shall deliver to buyer (i) on a monthly basis, a forecast schedule of expected deliveries for each successive four-week period during the term hereof, and (ii) on a weekly basis, a firm commitment for the anticipated delivery of qualifying hogs on or before Wednesday noon in the week prior to the week of delivery. The commitment for delivery shall include the quantity to be delivered and the day(s) of the week actual delivery is to occur. Failure to deliver the forecast and delivery commitment on a consistent basis may, at buyer's sole and absolute discretion, constitute a default hereunder.

Swine Packer Marketing Contract Summary – National Other Provisions

* Seller will market specified head annually to buyer. Hog volume will be evenly distributed and delivered throughout the year and submitted on specified exhibit.