



## Plainview Milk Products Cooperative

130 2<sup>nd</sup> Street SW • Plainview, MN 55964 • Phone (507)534-3872 • Fax (507) 534-3992

### New Credit Limit Policy effective March 31, 2010

In response to current credit and market conditions, Plainview Milk Products Cooperative will put a new credit policy into effect March, 31, 2010. We have given much thought to designing a system that will accommodate each customer's unique credit needs and not cause any undo inconvenience. We feel the vast majority of you will never notice any difference in the way your account works or our relationship with you and we thank you for that. Should you have any problems, please contact us and we will do our best to set up your account so it is as simple as possible to work with.

1. Each customer's credit limit will be the total of their individual largest 60 days (2 months) worth of purchases over the past 12 months. For example, if a customer's two largest months' purchases were \$5,000 and \$4,000 during fiscal 2009, their credit limit will be \$9,000. New customers will, following credit approval, be given a credit limit equivalent to an estimated 60 days' purchases.
2. Our terms are net 30 days from date of purchase (delivery) on all invoices. Milk patrons who have their feed invoices subtracted from their milk checks have the invoices for the period of time corresponding to that same milk payroll time period subtracted from that milk payroll without penalty. A late payment penalty of 1.5% per month will be assessed on all invoices that are not paid within these two guidelines.
3. Should your balance be aged in excess of the above described terms, it will be necessary to pay for any goods you require (i.e. C.O.D.) plus 10% of any balance that is aged more than 30 days.
4. Should you require an increase in your line of credit, please contact Lory at the feed store (507)534-3304 and she will gather the necessary information and get it processed for you. It does take more than a minute or two to process as she must contact the main office as well, so please plan accordingly. This cannot be done on weekends.
5. Should you currently have a past due balance or a balance that is in excess of what you estimate your credit limit will be, please contact Lory Gathje at the feed store at (507)534-3304 or Mary Holzer at the main office at (507)534-3872 ext 116 so we can arrange a plan that will accommodate your needs as well as the needs of the Cooperative.
6. Should you find yourself in a position where your credit limit has been reached and you are unable to arrange an increase, it will be necessary to pay for any goods you require (i.e. C.O.D.) plus 10% of any balance that is aged more than 30 days.

Our company policy is, and always has been, to provide the best service available to our customers. As we indicated, we feel strongly that most of you will notice no difference in the function of your account – and that is commendable and unique in today's business climate. We also strive to conduct business in a manner that is fair and equitable to all members of the Cooperative and, in adopting this policy we feel that we are doing so.

If you have any questions regarding our new policy, please feel free to give us a call.

Sincerely,  
*Dallas Moe*  
General Manager