**Delivered via Certified Mail**

[DATE]

[Name on Notice]

[CREDITOR]

[Address]

[Address]

RE: [CREDITOR] Security Notice for [PRODUCER]

Dear [Name on Notice]:

[GRAIN WAREHOUSE] is in receipt of your written notice of security interest in, including your request to be joint payee of the sale proceeds of, the [PRODUCTS *(i.e. 2020 corn and soybeans)*] of [PRODUCER] sold to [GRAIN WAREHOUSE].

Please be advised that as of the date of our receipt of the notice, [PRODUCER] has incurred $XXX.XX in grain service fees associated with the [PRODUCTS] and may incur additional grain service fees from [GRAIN WAREHOUSE] associated with the [PRODUCTS] prior to their sale to [GRAIN WAREHOUSE]. These grain service fees may include, but are not limited to, drying, storage, quality discounts, freight, marketing fees, and grain check-offs. These services are generally required to maintain the quality, condition and/or merchantability of the grain. [GRAIN WAREHOUSE] follows long-standing industry practice of deducting grain service fees associated with the bushels of grain sold to [GRAIN WAREHOUSE] as part of the final grain settlement to the producer. [GRAIN WAREHOUSE] provides each producer an accounting of the service fees included in their final grain settlement. Our grain service fees are also available on our website.

Due to your notice, prior to [GRAIN WAREHOUSE] purchasing [PRODUCTS] from [PRODUCER], [GRAIN WAREHOUSE] requires that [CREDITOR] agrees to allow [GRAIN WAREHOUSE] to deduct from the sale proceeds any and all grain service fees associated with the [PRODUCTS] sold to [GRAIN WAREHOUSE] by [PRODUCER]. If [CREDITOR] agrees to allow [GRAIN WAREHOUSE] to deduct its grain service fees from the sale proceeds, please sign and return the enclosed Acknowledgement by [DATE *(14 days)*]. If [CREDITOR] does not agree to allow [GRAIN WAREHOUSE] to deduct its grain services fees from the sale proceeds, [PRODUCER] and/or [CREDITOR] is required to remove [PRODUCTS] from [GRAIN WAREHOUSE] within 21 days of the date of this letter. [PRODUCER] will be charged a loadout fee of $XXX.XX, which must be paid along with all accrued and outstanding grain service fees prior to [GRAIN WAREHOUSE] loading out any [PRODUCTS] received from [PRODUCER]. If arrangements are not made to remove the [PRODUCTS] within such period, [GRAIN WAREHOUSE] will take all legal actions necessary and available to remove such [PRODUCTS] from its premises and recoup its grain service fees and any other fees or costs incurred in such removal.

Thank you for your prompt attention to this matter.

Sincerely,

[AUTHORIZED SIGNATORY]

[SIGNATORY COMPANY TITLE e.g. CEO]

CC: [PRODUCER]

**ACKNOWLEDGEMENT**

[CREDITOR] agrees to allow [GRAIN WAREHOUSE] to deduct any and all grain service fees associated the [PRODUCTS] sold to [GRAIN WAREHOUSE] by [PRODUCER].

[CREDITOR]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date