

EXHIBIT “M”

From: Matt Nicoletti <Matt@penny-newman.com>
Sent: Friday, March 16, 2018 8:37 AM
To: Michael Corbett
Subject: FW: Grinding Capability

Sorry for the delay.. here you go.

From: "Mullaly, Norman A - APHIS" <Norm.Mullaly@aphis.usda.gov>
Date: March 16, 2018 at 7:22:03 AM PDT
To: Mike Nicoletti <MNicoletti@penny-newman.com>
Subject: RE: Grinding Capability

The issue with the corn has been resolved, at least from USDA perspective . . . It's **prohibited** from entry.

Unprocessed raw corn grain of Russia, Kazakhstan, and Moldova **production origin** is prohibited entry into the U.S.

The product conveyed via M/V Mountpark is therefore not compliant with 7 CFR 319.24 and 7 CFR 319.41.

In order to be enterable, the **entire** shipment would have needed to be processed (cracked). There can be NO WHOLE KERNELS.

We do not allow processing after the fact. This shipment is at least 50% whole kernels, so although it may meet the FGIS definition of "cracked corn" it does NOT meet USDA requirements for entry. Since it also did not meet the APHIS entry requirements for 'processed product' at the time of importation, the corn is not enterable into the U.S.

Norm Mullaly
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From: Mike Nicoletti [<mailto:MNicoletti@penny-newman.com>]
Sent: Thursday, March 15, 2018 3:45 PM
To: Mullaly, Norman A - APHIS <Norm.Mullaly@aphis.usda.gov>
Subject: RE: Grinding Capability

Norm:

The M/V Moorpark has some soybean meal on it. I'm not certain of the exact tonnage but I believe it's around 7,000 MT or so. We're estimating we will complete the discharge of the soybean meal by tomorrow. The balance of the cargo is the cracked corn. We will not touch the corn until we have been given the ok to do so.

I would like to have your comment on the following: I understand this cargo is currently "on hold" due to 2 factors. (1) Does the corn have proper paperwork confirming its organic status and (2) the origin and the treatment of the grain due to its origin. Regarding the organic certification, that is a black or white issue. If the paperwork is not acceptable it will not be allowed as organic. Assuming the organic paperwork is determined to be in order, PN has been advised by the importer that this corn has been "cracked and roasted" which we're told is a requirement due to the origin (Russia). As PN is only acting as the transloader/warehouseman, can you please shed some light on this? It makes a huge difference to PN in our planning if the corn is discharged or not.

I would appreciate your input although the final decision will likely come from several parties.

Thanks,
Mike

From: Mullaly, Norman A - APHIS [<mailto:Norm.Mullaly@aphis.usda.gov>]
Sent: Thursday, March 15, 2018 2:44 PM
To: Mike Nicoletti <MNicoletti@penny-newman.com>; Matt Nicoletti <Matt@penny-newman.com>; Robert Mentelos <RMentelos@penny-newman.com>
Cc: Matt Nicoletti <Matt@penny-newman.com>
Subject: RE: Grinding Capability

Awesome, thanks . . . Good info.

Just fyi, we have notified CBP that the corn (Russian origin) on the Moorpark is still prohibited entry.

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From: Mike Nicoletti [<mailto:MNicoletti@penny-newman.com>]
Sent: Thursday, March 15, 2018 2:37 PM
To: Matt Nicoletti <Matt@penny-newman.com>; Robert Mentelos <RMentelos@penny-newman.com>; Mullaly, Norman A - APHIS <Norm.Mullaly@aphis.usda.gov>
Cc: Matt Nicoletti <Matt@penny-newman.com>
Subject: RE: Grinding Capability

Norm:
Sorry for the delay. Here's the way I see it:

Depending on the screen type required, I would estimate that we could currently grind 10-12 trucks/day with our current grinding set up. We are within weeks of finishing the installation of a second grinder that would have the capacity to do about twice the capacity of our existing grinder. Therefore, currently we can do about 300 tons per day, and in 5 weeks or so we could do 900-1000 tons per day. Again, this depends on the type of screen that may be required.

There is approximately 25,000 tons of corn on the vessel currently at our dock. Realistically, once we reach full capacity we could grind the entire shipment in 2 months. Given the fact that we need another month or so to reach full capacity, this might take 3-4 months to grind through the vessel.

The grinder(s) will be anywhere from 10 yards to 50 yards from the multiple storage bins the grain would be stored. I trust this answers the questions. Please don't hesitate to reach out with any additional questions.

Thanks,
Mike

From: "Mullaly, Norman A - APHIS" <Norm.Mullaly@aphis.usda.gov>
Date: March 15, 2018 at 11:35:35 AM CST
To: Mike Nicoletti [<mailto:MNicoletti@penny-newman.com>]
Subject: Grinding Capability

What's the grinding capability at Penny Newman?
Where is the grinder in relation to the storage bins/elevators?
How long would it take to grind an entire shipload of corn?

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