Premium Peanut

Premium Quality

Premium Service

Premium Food Safety
Company Overview

- Formed in the fall of 2014 by a group of local businessmen, farmers, and buying point owner/operators to:
  
  - Secure peanut market access for our growers
  
  - Improve farm income and profitability through vertical integration of growing, warehousing, shelling, and marketing crops cooperatively
  
  - Stabilize the peanut market in the south Georgia area for local farmers, to assist in the process of crop rotations in order to improve quality and yields
  
  - Ensure a stable supply of high quality peanuts for our manufacturer partners at a competitive cost

Grower Benefits

Customer Benefits
Diverse & Growing Farmerstock Base

350+ Shareholders in 30+ counties – All Peanut Growers

- 2016 guaranteed tons: 140,000 tons
- 2017 handlings: 251,000 tons
- 2018 guaranteed tons (minimum): 210,000 tons
- 2018 handlings (estimate): 230,000 tons

- $175M+ in sales
- $10M+ EBITDA
- 1st dividend paid in early 2018, for 2016 crop!
• Difficult to attract employees from other counties, due to lack of public transport options and direct road access
• Challenging to incent employees to move...school access & funding (state can help!)
Oil Mill Expansion

With an investment of approximately $14 million, Premium Peanut has constructed a filtered crude peanut oil facility, located adjacent to the shelling plant. This new operation has the capacity to produce over 3 million gallons of peanut oil per year.
Future growth is hindered by the availability of a trained, skilled, stable workforce.

**Traditional methods to attract & retain talent ‘are not enough’**


- 70 separations YTD, or approximately 30% annual turnover

- Failed drug tests, **absenteeism**, and performance issues are key drivers
Traditional Methods are not Enough

Traditional Methods for Retention

- Pay: Avg. hourly rate ~$14
- Overtime: Avg. annual pay $39,000
- Skill Enhancement: Quickstart, Development Courses, 32 promotions / pay increases YTD due to skill enhancement (15%)
- Benefits: 401(k) match, Medical - $3,800 / employee / year
Non-Traditional Retention

• $4,200 / month base fee – paid by PP ; $10 / visit – paid by PP

• Open 2 hours / day, Monday – Friday

• Open to all employees & shareholders, and their families
Mobile Clinic Benefits???

Leap of Faith
Mobile Clinic Benefits

- Address absenteeism, due to sickness of employee or family??

- Reduce medical costs by employees??

- Reduce medical costs to Premium Peanut??
  - ‘Self-funded’ plan costs driven by catastrophic health events
  - Reduced ER visits benefit local hospital, not the company

- Reduce time & frustration at doctor offices
  - Language barrier
  - Insurance difficulties
  - Appointment & waiting times

- Without a ‘leap of faith’, difficult to justify

- Incentives need established to provide direct support, versus reliance on indirect benefits
Thank You