



Shareholders Exceed Environmental Goal

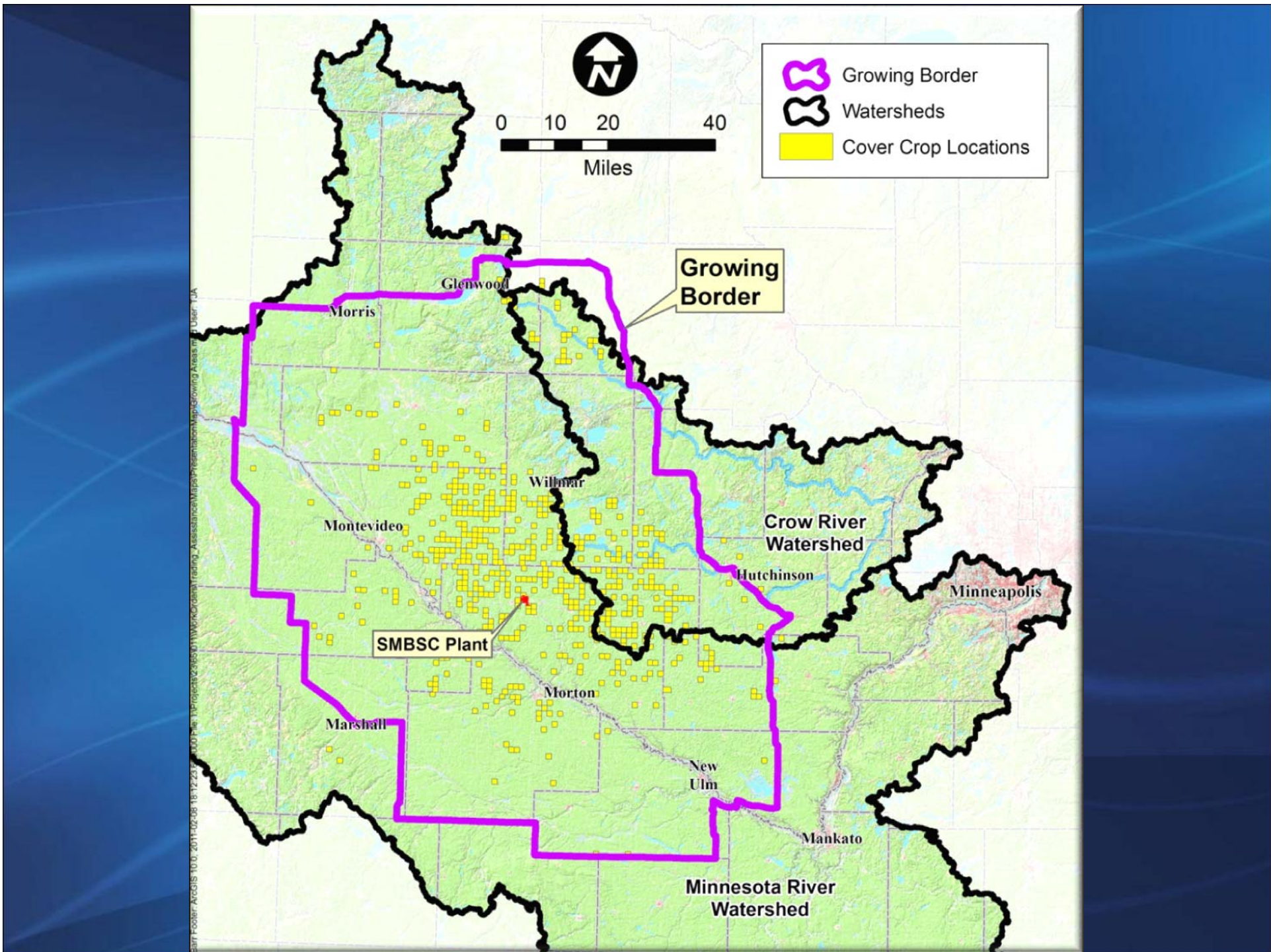
Southern MN Beet Sugar Cooperative
Renville, Minnesota
www.smbsc.com



Facts about SMBSC

- Located 1-1/2 miles east of Renville in south central Minnesota
- Sugarbeets grown in 17 counties
- 110 miles long (north to south) by 100 miles wide (east to west)
- Produced on approximately 119,000 acres
- 515 shareholders own the Cooperative
- 12 receiving stations for harvest
- Prepile begins in September with full harvest beginning in October







- 1999 – 2000 factory expansion – 3 million tons
- New water treatment plant – sugarbeets are 80% water
- Phosphorus trading requires using 33,000 acres of cover crop
- Expansion increased shareholders, jobs, tax base
- 1990 shareholders 332, present 515

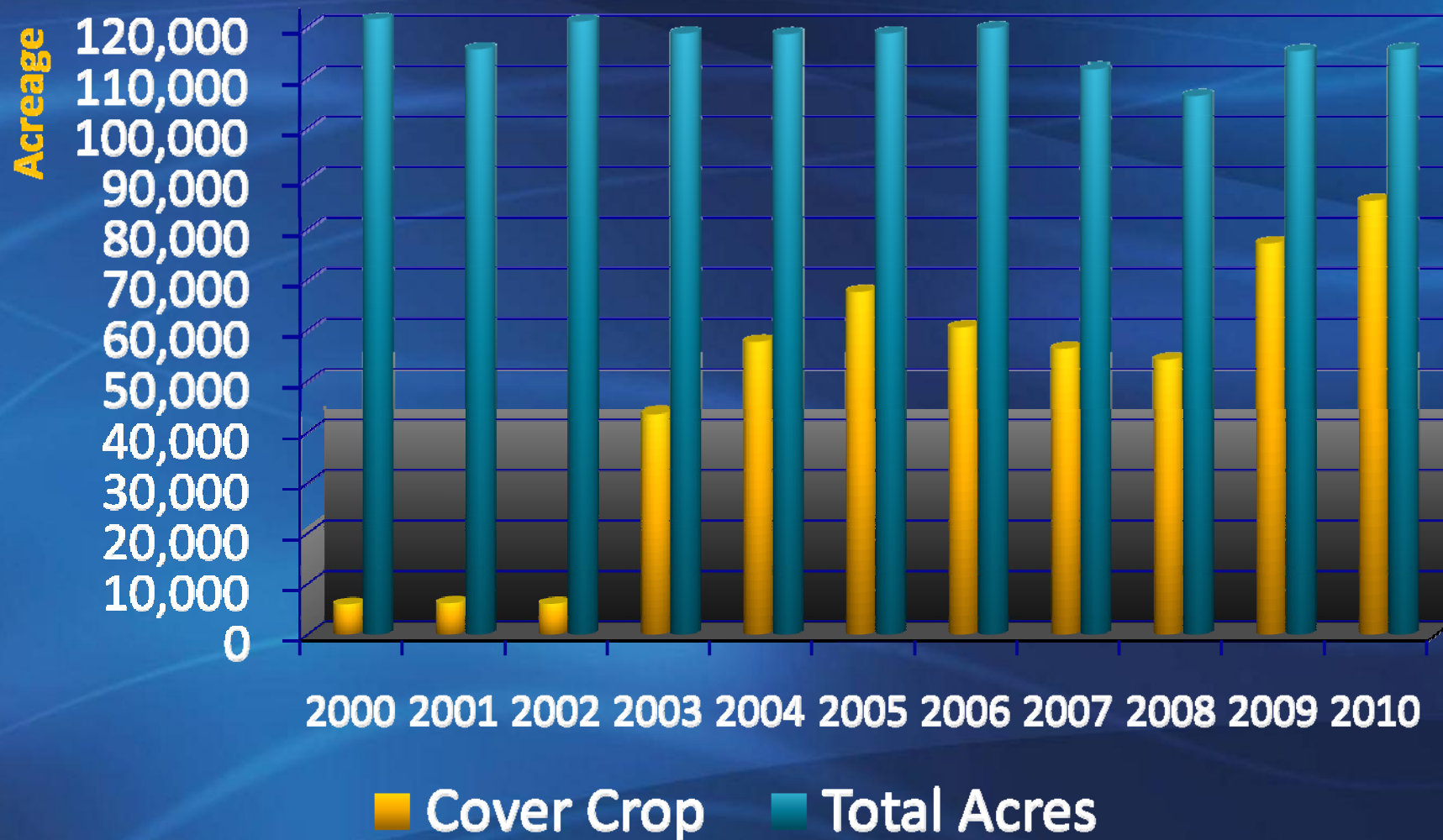


- SMBSC Agriculturists recommended cover crop
- SMBSC pays \$4 per acre to cover costs for shareholder

Cover Crop Helps Protect Tender Seedlings From the Wind



Cover Crop Acreage



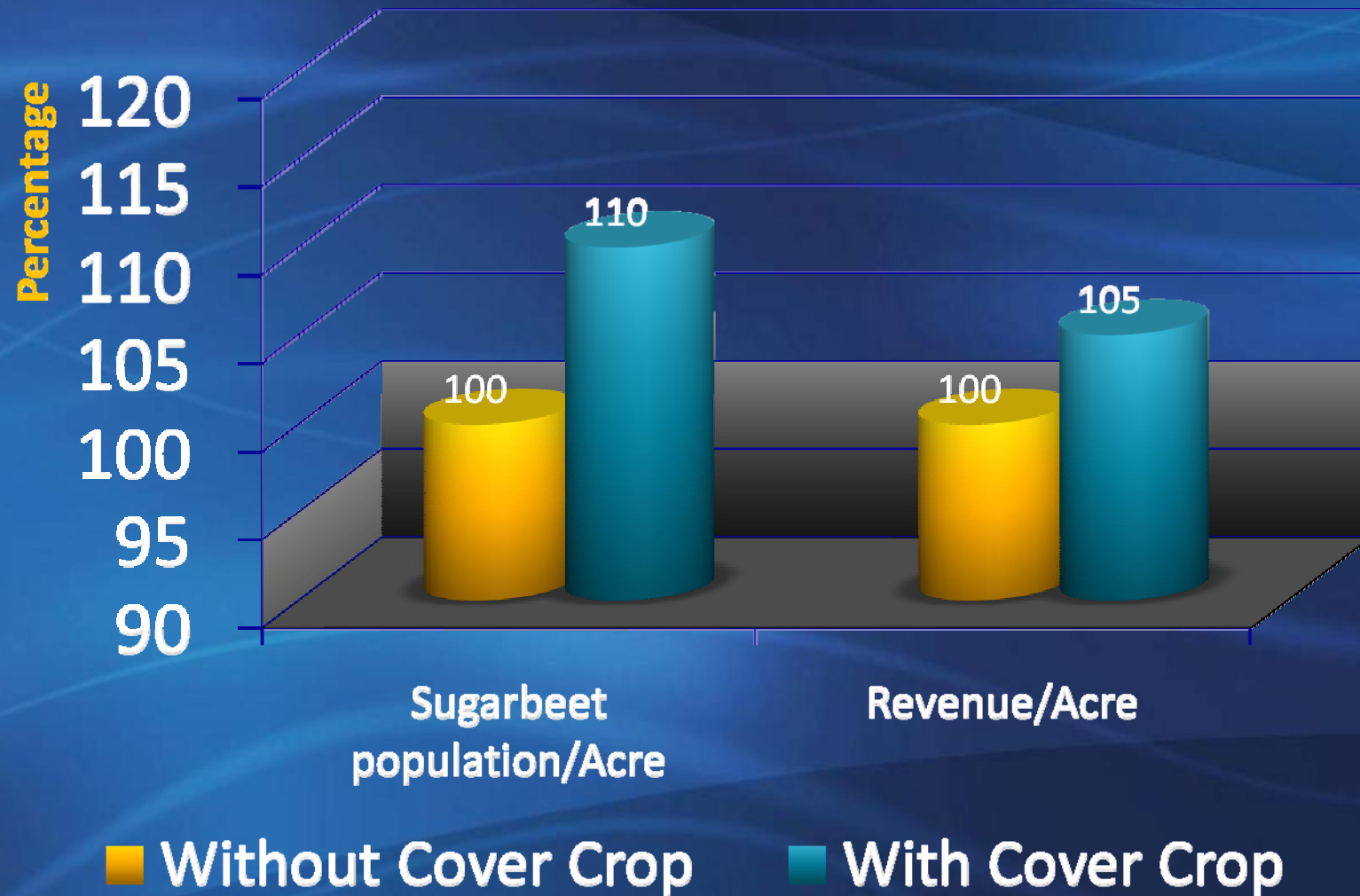
Note: Increase in 2009 with Roundup Ready beets



- Shareholders spray out cover crop
- Cover crop continues to protect the soil even after it has been sprayed out

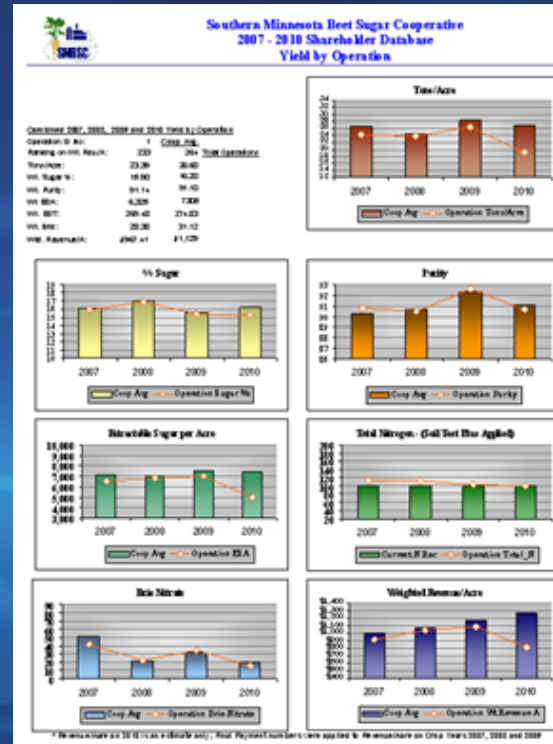


Value of Cover Crop



SMBSC Database Graphs & Records

- Shareholder submits data via internet
- SMBSC maintains database
- Trends & field data discussed by Agriculturist with Shareholder
- Fields are geo-referenced to help build records for past field locations



2010 Southern MN Beet Sugar Coop Field Data Summary

Shareholder: _____ Contract: _____
Field Number: _____ Township: _____ Section: _____

| Individual Field | District Average | SMBSC Average |
|--------------------------------|------------------|---------------|
| Harvested Acres: 89.7 | 113,647 | 111,716.0 |
| * Net Revenue/Acre: \$1,294.07 | \$1,382.51 | \$1,250 |
| * Net Revenue/Ton: \$51.77 | \$51.17 | \$51 |
| Net Tons: 2,242 | 3,094,851 | |
| Tons/Acre: 25.0 | 27.3 | 27.83 |
| % Sugar: 15.02 | 15.70 | 16.23 |
| Brix Nitrate: 43 | 25.75 | 20 |
| Purity: 88.17 | 90.53 | 91.07 |
| Tare: 2.81 | 2.30 | 2.0 |

Ranking is Based on Net Revenue/Acre
Fields Ranked by District
District Name: South Central - (Greg Johnson)
District Ranking: 91
of Fields in District: 140
Field's Ranking in the Shareholder Database: 656
Overall Ranking: 656
Above ranking comparisons based on 1,084 fields contracted in 2010 (excluding non-harvested fields)

*** Estimate Only, Includes People Payment (Does not include loading allowance)**

Variety: Hilschop 4077R
Contract Variety: Crystal PR25
Rotation: 0 Years
of Times in Sugarcrops: 0
Previous Crop: CORN
Pattern Type: No
Cover Crop: Yes
Date: 4/16/2010
Acres: 89.7
Seed Spacing: 5.5
Planting Date: 4/16/2010
Test Result: N 22.5, P 17.1, K 190.4, ppm, pH 7.0
Fertilizer Applied (lb/A): N 70, P 40, K 0, OM 6.0
Total N Available: N 92.5, lb/A
Cost of Applied Fertility: N \$30.00, P \$13.60, K \$0.00, lb/A
Pop-up Fertilizer: Yes

Pre-Emergent Weed Control per Acre

| Option | Rate | Year | Year | Acres | Cost |
|----------|------|------|------|---------------|------|
| Option 1 | lb/A | 2007 | 2008 | Partial Field | 5 |

Post-Emergent Weed Control per Acre - All in acres

| Rate | Cost |
|-------------------------------|---------|
| Assure | \$2.31 |
| Banquet | |
| Banquet | |
| Dual | |
| Northon | |
| Outlook | |
| Progress | |
| Select | |
| Select Max | |
| Slinger | |
| Roundup Weather Max | |
| Roundup Power Max | |
| Roundup Original | |
| Labeled Generic Glyph | |
| Update | |
| Total Herbicide Cost | \$10.95 |
| Hand Labor Cost | \$1.72 |
| Grand Total Weed Control Cost | \$12.67 |

Rhizoctonia Control

| Rate | Cost |
|-------------------------------|---------|
| Assure | \$2.31 |
| Banquet | |
| Banquet | |
| Dual | |
| Northon | |
| Outlook | |
| Progress | |
| Select | |
| Select Max | |
| Slinger | |
| Roundup Weather Max | |
| Roundup Power Max | |
| Roundup Original | |
| Labeled Generic Glyph | |
| Update | |
| Total Herbicide Cost | \$10.95 |
| Hand Labor Cost | \$1.72 |
| Grand Total Weed Control Cost | \$12.67 |

Cercospora Control

| Rate | Cost |
|-------------------------------|---------|
| Assure | \$2.31 |
| Banquet | |
| Banquet | |
| Dual | |
| Northon | |
| Outlook | |
| Progress | |
| Select | |
| Select Max | |
| Slinger | |
| Roundup Weather Max | |
| Roundup Power Max | |
| Roundup Original | |
| Labeled Generic Glyph | |
| Update | |
| Total Herbicide Cost | \$10.95 |
| Hand Labor Cost | \$1.72 |
| Grand Total Weed Control Cost | \$12.67 |

Insect Control

| Rate | Cost |
|-------------------------------|---------|
| Assure | \$2.31 |
| Banquet | |
| Banquet | |
| Dual | |
| Northon | |
| Outlook | |
| Progress | |
| Select | |
| Select Max | |
| Slinger | |
| Roundup Weather Max | |
| Roundup Power Max | |
| Roundup Original | |
| Labeled Generic Glyph | |
| Update | |
| Total Herbicide Cost | \$10.95 |
| Hand Labor Cost | \$1.72 |
| Grand Total Weed Control Cost | \$12.67 |

Total Input Costs/Acre

| Input | Cost/Acre | Grand Total |
|--------------------------|-----------------|-----------------|
| Fertilizer | \$44.40 | \$42.31 |
| Fungicide | \$45.30 | \$40.92 |
| Insect | \$7.05 | \$3.70 |
| Pop-Up Fertilizer | \$1.11 | \$1.11 |
| Seed | \$175.80 | \$134.76 |
| Weed Control | \$10.95 | \$16.18 |
| Total Input Costs | \$243.58 | \$247.83 |

*** Spot Spray application costs are pre-rated across all acres in field.**
**** Fertilizer, Insect, Pop-Up Fertilizer and Rhizoctonia Co-op Average costs include \$0 for all fields where no application of these inputs took place.**

† Tech fee cost included in seed costs.

SMBSC Database Graphs & Records

(continued)

- Shareholders database includes:

- Variety
- Soil testing
 - SMBSC pays for soil testing
- Fertility
- Pattern tile
- Tillage
- Plant population
- Planting date
- Crop rotation
- Previous crop
- Weed control
- Disease control
- Additional items

- SMBSC Ag Research Department

- Production practice research
- Varietal performance

Quality Payment at SMBSC

- Promotes quality and increases shareholder revenue

How This Affects Farm Families That Grow Sugarbeets



Summary

- SMBSC exceeds environmental goals
- Positive impact on farm families





Questions