



Questions & Answers Related to 20AUC001 – Grass Fed Beef

1. Is the Net 30 Days payment terms negotiable? Our company would be purchasing cattle for this program from our small family producers. Currently we promise to pay our producers within 7 days of delivering the cattle to the processor for harvest. Our processor requires payment before shipping product out of the plant. Under a Net 30 payment arrangement we would not receive payment for the cattle for 40+ days from time the cattle are delivered to the processor. Typically harvest, chilling, fabrication, boxing and shipping will take 10-12 days before the product could be delivered to AISD. We cannot withhold payment to our producers for this amount of time. This puts our small grass fed marketing company in the position of having to carry in excess \$100,000 of debt and poses a significant risk for a small businesses and increases costs to finance this debt?

Answer: Yes, payment terms are negotiable. Since this product is coming directly to our central warehouse our accounts payable team will pay the invoice as soon as it sent to them. Invoices need to be submitted by Monday morning at the latest and will be paid as soon as the warehouse has received the products. If the invoice needs corrections (i.e. incorrect quantity, price, etc.) the payment process may be delayed.