to time in its discretion. The premium or discount under the carcass merit program is described as the "Meat Premium" in the Pig.Net Base Matrix attached hereto as Exhibit D.

3. If Finisher notifies Excel of its intent to enter into a forward contract with Excel at the Contract Price by noon on the Friday prior to the scheduled week of delivery of weaner pigs to Finisher, then Excel will enter into a forward contract with Finisher at the Contract Price on the Monday of the scheduled week of delivery of weaner pigs to Finisher. This forward contract will be for the delivery of market hogs to Excel twenty-three (23) to twenty-six (26) weeks thereafter subject to the Minimum Target Price and the Maximum Target Price (as defined in Section 4 below). The Contract Price is the Merit Price in the Pig.Net Base Matrix less the Predicted Merit Basis in the Pig.Net Base Matrix. Finisher must sell at least 20,000 lbs. of market hogs per forward contract transaction and in increments of 1,000 pounds thereafter.

The "Maximum Target Price" means the Meat Price in the Pig.Net Base Matrix that correlates to a $45 weaner pig price as determined on the Monday of the scheduled week of delivery of the weaner pigs to Finisher less the Predicted Meat Basis in the Pig.Net Base Matrix. The "Minimum Target Price" means the Meat Price in the Pig.Net Base Matrix that correlates to a $20 weaner pig price as determined on the Monday of the scheduled week of delivery of the weaner pigs to the Finisher less the Predicted Meat Basis in the Pig.Net Base Matrix. Excel may amend the Pig.Net Base Matrix from time-to-time in its discretion if any of the projections in the Pig.Net Base Matrix are found to be inaccurate.

4. If Finisher fails to provide such notification, Excel will forward contract with Finisher using its standard forward contract program and the Pig.Net Base Matrix; provided, however, that the Minimum Target Price and the Maximum Target Price shall not apply.

5. If farrowers deliver more than the Annual Capacity of weaner pigs (prorated on a four-week rolling average basis) to Finisher and the Finisher, in turn, delivers more than the Annual Capacity of market hogs to Excel (prorated on a four-week rolling average basis), then Excel will purchase such excess market hogs in accordance with Excel's standard forward contract program; provided, however, that such excess market hogs will not be subject to the Pig.Net Base Matrix, the Maximum Target Price, or the Minimum Target. "Annual Capacity" means means farrower's commitment to produce _____ weaner pigs for sale to Finishers each Agreement Year plus or minus ten-percent (10%). The Agreement Year means the twelve month period commencing on _____, 200_and each anniversary thereof.

6. Exhibits A, B, C, and D are incorporated herein by reference. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of Exhibits A, B, C, and D, the terms and conditions of this Agreement shall govern.