

THE POWER OF BEING UNDERSTOOD

RSM'S CCM SOLUTION FOR DAIRY

From contract to producer payment, a processor's management platform.

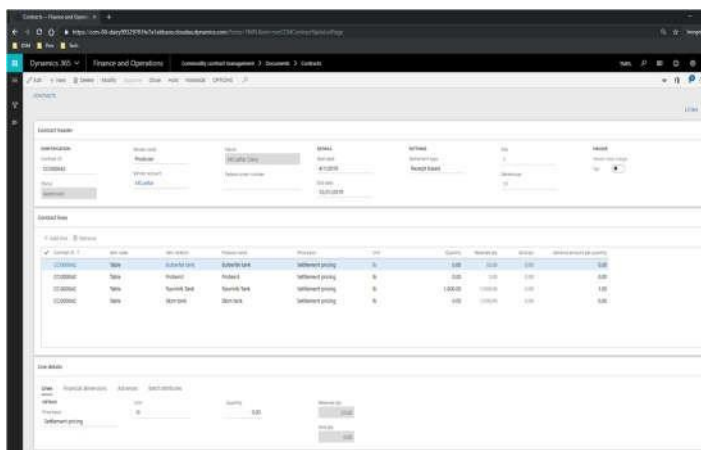
Today's processors face several challenges in a highly competitive and regulated industry. One of the main problems in the industry is to keep control over the inventory and financial transactions related to processor/producer/third party relationships.

RSM's commodity contract management (CCM) for Dairy is an industry solution on a modern platform that extends the power of Microsoft Dynamics 365 for Finance and Supply Chain Management to address industry challenges by providing a technologically advanced platform to oversee and administer contractual agreements and transactions.

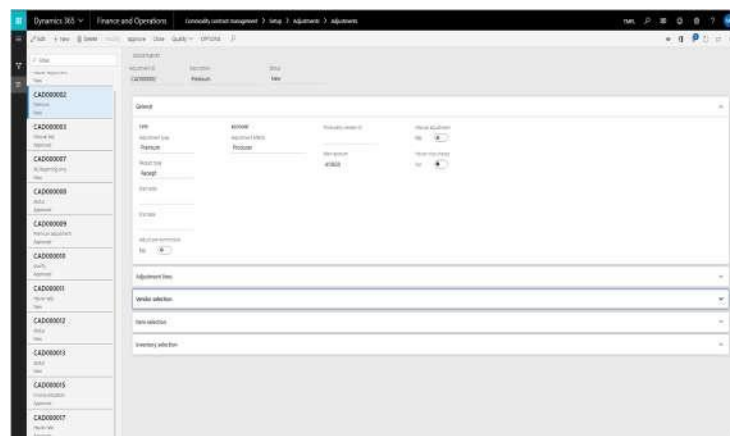
This platform provides ways to manage contracts, adjustments, advances, and receptions. These documents come together during the settlement process to generate AP Invoice Journals for vendor payment generation.

Flexible vendor payment strategies: The platform leverages the power of the Dynamics 365 for Finance and Supply Chain Management formulation engine along with trade agreement infrastructure to set payments based on raw milk potencies. The use of payment per component based on trade agreements provides unsurpassed flexibility for base price definition.

Vendor payment adjustments: Commodity contract management for the dairy industry uses adjustments to increase or decrease producer's gross payments. Adjustments can take place at the contract level and applied during receipt, or manually added to the receipt during the reception process.



Contract ID	Contract Name	Contract Type	Contract Status	Contract Date	Contract Period	Contract Value	Contract Currency	Contract Unit	Contract Description
CAD000001	Contract 001	Contract	Active	2023-01-01	2023-12-31	1,000,000.00	USD	1,000,000.00	Contract 001
CAD000002	Contract 002	Contract	Active	2023-01-01	2023-12-31	1,000,000.00	USD	1,000,000.00	Contract 002
CAD000003	Contract 003	Contract	Active	2023-01-01	2023-12-31	1,000,000.00	USD	1,000,000.00	Contract 003
CAD000004	Contract 004	Contract	Active	2023-01-01	2023-12-31	1,000,000.00	USD	1,000,000.00	Contract 004
CAD000005	Contract 005	Contract	Active	2023-01-01	2023-12-31	1,000,000.00	USD	1,000,000.00	Contract 005
CAD000006	Contract 006	Contract	Active	2023-01-01	2023-12-31	1,000,000.00	USD	1,000,000.00	Contract 006
CAD000007	Contract 007	Contract	Active	2023-01-01	2023-12-31	1,000,000.00	USD	1,000,000.00	Contract 007
CAD000008	Contract 008	Contract	Active	2023-01-01	2023-12-31	1,000,000.00	USD	1,000,000.00	Contract 008
CAD000009	Contract 009	Contract	Active	2023-01-01	2023-12-31	1,000,000.00	USD	1,000,000.00	Contract 009
CAD000010	Contract 010	Contract	Active	2023-01-01	2023-12-31	1,000,000.00	USD	1,000,000.00	Contract 010

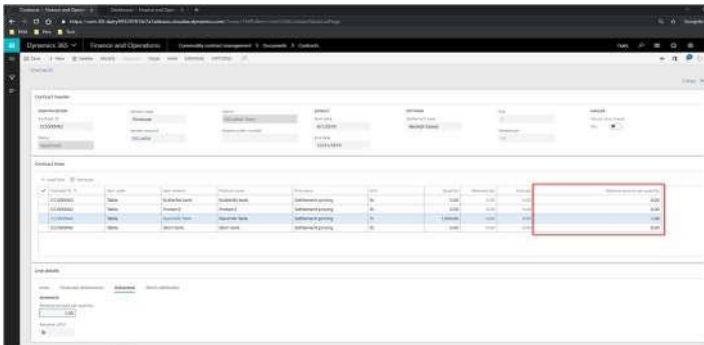


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Component management: Prices set at contractual agreements are subject to change by several factors during the reception process. In order to accommodate price changes based on componentry Dynamics 365 for Finance and Supply Chain quality orders can be leveraged to accurately document such quantities and update receipt line component accordingly. Accruals are posted based on dairy class utilizing the existing product variants framework. Automatic inventory reclassification takes place based on production and sales by dairy class.

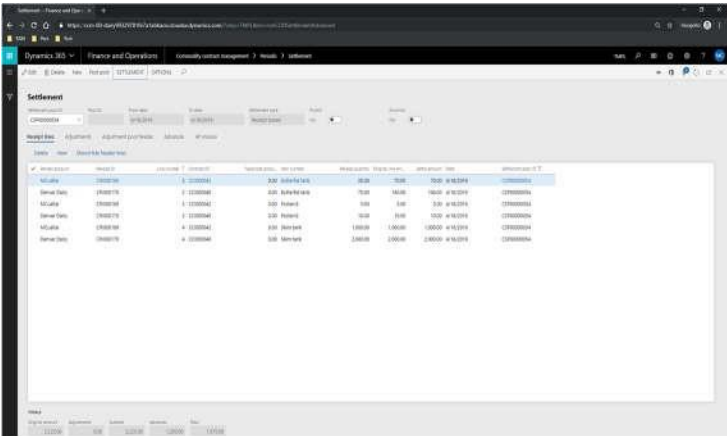
In addition to managing producer transactions, the CCM platform also manages relationships with third party vendors such as haulers. By means of adjustments, processors can modify payments to producers based on services rendered by third party vendors as well as automatically generate AP invoice journals for service provider payment.

Advance payment: There are instances when a processor needs to make advances to producers. The CCM platform for the dairy industry facilitates this process. The advance workbench can generate per- quantity and fix amount advances to cover such needs. The workbench automatically generates the accounts payable invoice payments required to disburse funds in advance. Such payments are later discounted during settlement.



Invoice allocation of third party payments: Sometimes amounts charged to the processor from third party vendor need to be charged back to producers. Payments for services such as milk hauling may need to be allocated to different producers. The invoice allocation platform facilitate payment distribution among receipts; amounts allocated can be reclaimed at settlement as deductions.

Settlement process: Periodically, processors need to reconcile payments and deductions in order to generate accounts payable invoice journals for vendor debt payment. The settlement workbench is the platform that brings all related documents together to produce payment invoices for producers. During this process, deductions, advances, and invoice allocation transactions are retrieved with related receipts for deduction or price increments.



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