

OC Flock Management Inc.

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SEMEN EXPORTS TO THE UNITED STATES and PUERTO RICO

Due to the requirement for USDA veterinary clearance of all incoming shipments of semen, our shipping options from Canada are limited to ports of entry which have USDA veterinarians on site. The cost to bring a non site USDA vet in is cost prohibitive. Unfortunately, none of the current ports of entry for commercial courier service have USDA vets on site. That leaves us two options for shipments – AIR CARGO and LAND ENTRY. Air Cargo is limited to Chicago, LAX and Miami (USDA vets on site). We have used these options in the past, but have found that they are not any less expensive and most of the port vets have no experience in sheep and goat imports and the delay time in clearance often pushes the dry shippers to the limit of their holding time. In addition, many customers are not located near these ports and so onward freight to a more local airport is required and adds to the logistic issues, costs, and time.

As a result of our 15 years of experience exporting to the USA, we have determined that the most cost effective and safest means of export is for one of our staff to drive the shipment to the border crossing at Sweetgrass, MT, perform all the clearances and then send the shipper by FEDEX to its final destination.

USDA permit costs and clearances have risen sharply in the last 5 years, so combined shipments have become the most economical choice. We have been fortunate to establish a working relationship with a veterinarian in Pennsylvania, who is willing to act as the official importer for combined shipments and be responsible for distribution to individual buyers within the US once the shipment has arrived. Dr Weiss is also experienced in semen handling and Lap AI and provides reproductive services as part of her practice.

Dr Rachael Weiss 6501 Dumeny Road Greencastle, Pennsylvania 17225 Phone: 717-360-0310

The following table outlines the costs associated with exporting a shipment to Dr Weiss in Pennsylvania. In shared shipments, each buyer would be charged a portion of the total costs. These charges, along with the semen purchase are payable to OC Flock Management Inc prior to the shipment leaving Canada.

		Base	<u># donors</u>	\$ CANADIAN	~\$USD
Export preparation	\$75 +\$35.00/donor	75	1	110.00	at 1.30
Export documentation	\$500 + \$15.00/donor	500	1	535.00	
USDA Import permit	\$150 USD			225.00	
Delivery and clearance	Bowden to Sweetgrass, MT			750.00	
Border clearance	UPS brokerage/USDA vet inspection		425.00		
Freight - FEDEX	Sweetgrass, MT - Dr. Weiss (Penn), GROUND 4 business days			85.00	
	Return to Bowden - air 2 days			445.00	
TOTAL EXPORT COSTS				2,575.00	2000
Insurance	Shipper	\$30.00		30.00	
	Semen 1% of insured value				

Charges for handling, storage and onward shipment to the final end user will be determined by Dr Weiss and payable directly to her business.