

The background of the slide is a photograph of a lush green cornfield in the foreground, with a line of trees and a field in the background under a warm, golden light. A dark blue rectangular box is overlaid on the right side of the image.

AGRISECURE MEMBER MEETING

LEARN | NETWORK | GROW

December 10, 2019



WELCOME

**UPDATES
& LEARNINGS**

CROP YEAR 2020

**FBN PARTNERSHIP
OPPORTUNITIES**

NETWORKING



CERTIFICATION & INSURANCE

THE IMPACT OF ENTITY STRUCTURE

GENERAL PARTNERSHIPS

- Most General Partnerships will not be qualified for organic certification
- Get ahead of the game by creating a new legal entity

CROP INSURANCE IMPACT

- Entity structure can play a pivotal role in optimizing crop insurance – as it impacts APH's, Farm Units, and more

CROP INSURANCE REQUIREMENTS

TRANSITION ONLY FARMS

- Many AIPs will require that a Transition Plan be approved by a certifying agency
- AgriSecure is working with ICS to develop a streamlined, minimal cost program

1ST YEAR ORGANIC FARMS

- Organic certificate must be provided to the FSA by July 15th or reporting date to qualify for organic crop insurance
- AgriSecure will prioritize new organic farms, and work closely with ICS > start getting ready



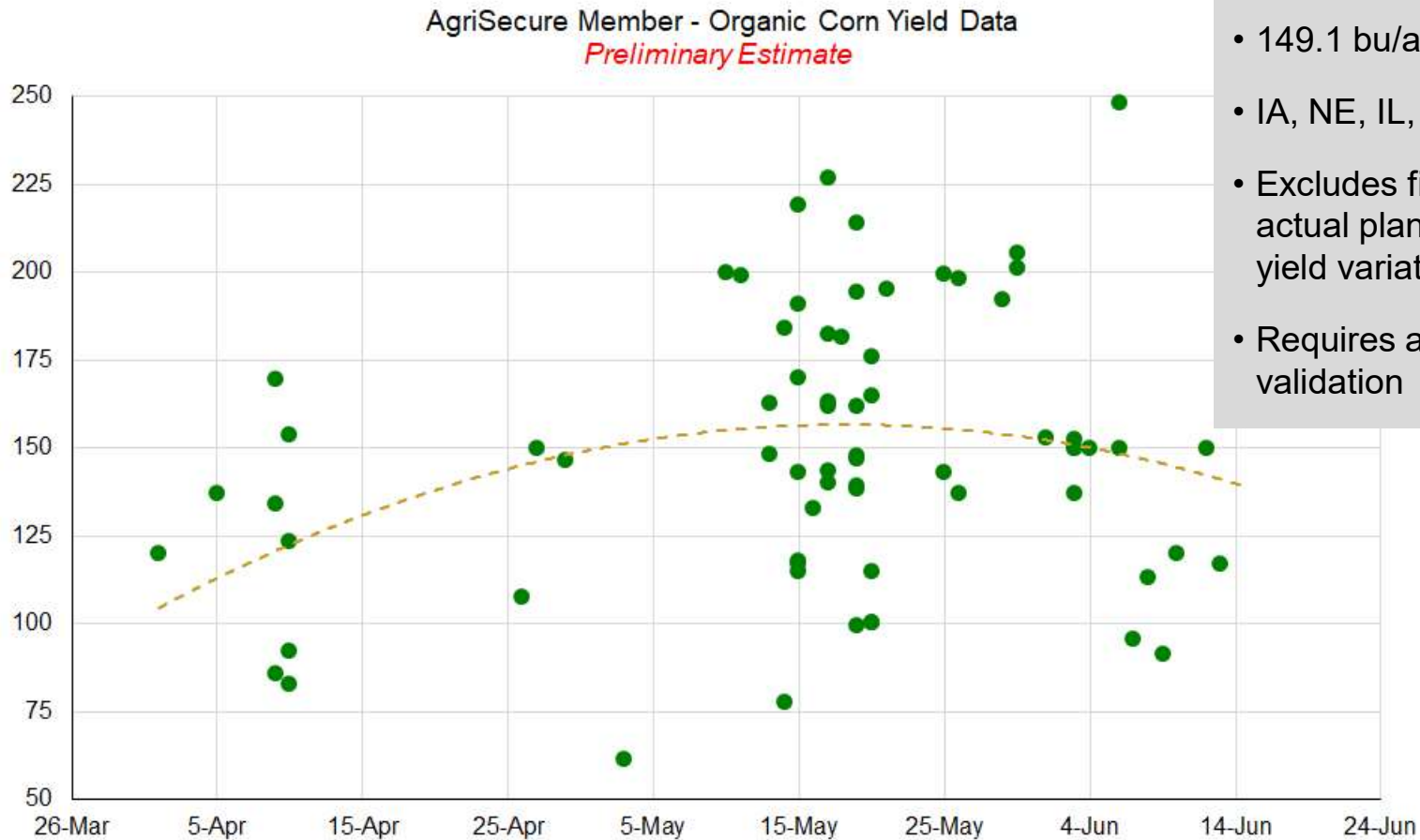
PLANTING DATES

CY19 CHALLENGED MANY TO PLANT LATE

CY19 planting was fraught with challenges for many... and pushed the boundaries of 'planting dates guidelines'

- Do modern genetics allow us to plant shorter season varieties past standard plant dates?
- Do organic premiums override rules based on conventional prices?
- What happens if you plant late & have a wet harvest?
- How do you tie in insurance and APH considerations into your thinking?
- How should potential quality issues be accounted for (including storage & drying)?

PRELIMINARY AGRISECURE MEMBER DATA



- 69 data points, not statistically significant
- 149.1 bu/acre average
- IA, NE, IL, SD
- Excludes fields without actual plant date or no yield variation
- Requires additional validation

PLANTING TAKEAWAYS

- Planting date matters – even with organic premiums
- Decisions in organic involve different considerations... but some insights from conventional apply
- Don't let emotions guide your decision making
- Network growth will offer new, data-driven insights

An aerial photograph of a vast, green agricultural landscape. A dirt path curves through the fields. In the distance, there are some buildings and trees under a cloudy sky. A grey rectangular box is overlaid on the right side of the image, containing the word "INTERCROPPING" in white capital letters.

INTERCROPPING

CASE STUDY #1 – CANOLA & YELLOW FIELD PEAS

CROPS	Canola & Yellow Field Peas
LOCATION	Manning, Iowa
ACRES	10 acres
YIELDS	<ul style="list-style-type: none">• Canola = 20 bu/acre• Field Peas = 30 bu/acre
PROS	<ul style="list-style-type: none">• Soybean alternative• Weed control, great canopy• Minimal tillage
CONS	<ul style="list-style-type: none">• Cleaning effort & timeliness• Market opportunities
TAKE-AWAYS	<ul style="list-style-type: none">• Keep it simple• Planning is key (know what is next & how you'll get it done)• Decide by numbers, not emotion• Learning makes farming fun again



CASE STUDY #1 – CANOLA & YELLOW FIELD PEAS

Date	Activity	Expense
Apr '19	Field Conditioning	\$15.00
Apr '19	Drilling & Seed	\$92.80
Jul '19	Harvesting	\$45.00
Jul '19	Trucking	\$21.00
Jul '19	Field Conditioning	\$15.00
Jul '19	Seed Cleaning	\$50.00
	Rent	\$250.00
	Insurance & Other	\$25.00
Total Expenses		\$513.80

	Transition	Organic
Field Peas (per bu)	\$7.00	\$15.00
Canola (per bu)	\$5.50	\$17.00
Revenue	\$320.00	\$790.00
Net Revenue	-\$193.80	\$276.20

CASE STUDY #2 – YELLOW FIELD PEAS & OATS

CROPS	Yellow Field Peas & Oats
LOCATION	Northeast Nebraska
ACRES	<ul style="list-style-type: none"> • 27.1 acres • <i>Trial conducted on marginal ground with slopes</i>
YIELDS	Estimated yields (<i>not sorted yet</i>) <ul style="list-style-type: none"> • Field Peas = 30 bu/acre • Oats = 30 bu/acre
PROS	<ul style="list-style-type: none"> • Soybean alternative • Weed control, great canopy • Minimal tillage • Cover crop seed
CONS	<ul style="list-style-type: none"> • Cleaning effort & timeliness • Market opportunities
TAKE-AWAYS	<ul style="list-style-type: none"> • Match maturity rates of seeds • Seeding rates require further experimentation



CASE STUDY #2 – YELLOW FIELD PEAS & OATS

Date	Activity	Inputs	Total
10-Apr	Discing		\$15.00
13-Apr	Drilling	\$138.00	\$153.00
13-Apr	Field Conditioning		\$18.00
8-Aug	Harvesting		\$30.00
8-Aug	Trucking		\$6.50
TBD	Seed Cleaning		
	Rent		\$254.00
	Insurance & Other		\$30.00
Total Expenses		\$138.00	\$506.50

Estimated Revenue	Bushels	Revenue
Field Peas	31.00	\$527.00
Oats	30.00	\$157.50
Total	61.00	\$684.50
Net Revenue		\$178.00

TAKEAWAYS

- Intercropping has a lot of potential benefits, but the details need additional trialing and development
- Planning is key – and try to minimize complexity
- Decide by numbers, not emotion
- Opportunity to push the boundaries – and have some fun
(if you like this sort of thing)



CROP ROTATIONS

EXECUTIVE SUMMARY

Maintaining a 'diverse' crop rotation is **#1 factor** to long-term success, which requires a long-term perspective

- Weed Management | Soil Nutrients & Biology | Risk Reduction
- Operations should be a key consideration
- Potential rotation crops will vary by region/operation – and is an area of focus for AgriSecure
- Realistic economic considerations for rotation crops with quality specs

OPERATIONAL CONSIDERATIONS

ECONOMICS	<ul style="list-style-type: none">• Evaluate the long-term viability of each crop before making investments (\$ or time)
EQUIPMENT COSTS	<ul style="list-style-type: none">• ROI analysis for current & planned rotation• New crops may require additional equipment
CAPACITY PLANNING	<ul style="list-style-type: none">• Do planting, field, and harvest activities “create” or “eat” capacity?
HANDLING & STORAGE	<ul style="list-style-type: none">• Are special handling activities required?• How & when will each crop be stored?

ROTATION DISCUSSION

	A	B	C	D	E
Y1	Corn	Corn	Corn	Corn	Corn
Y2	Soybeans	Cover Crops / Grazing	Soybeans	Peas/Barley (Alfalfa – FS)	Alfalfa
Y3	Barley or Wheat	Corn	Alfalfa / Oats	Alfalfa	Alfalfa

Pros	<ul style="list-style-type: none"> • Est. markets and economics • Solid agronomic rotation 	<ul style="list-style-type: none"> • Est. markets • Maximize corn economics • Inputs & management 	<ul style="list-style-type: none"> • Est. markets • Weed control • Higher yielding corn 	<ul style="list-style-type: none"> • Reduced management • Weed control + agronomics 	<ul style="list-style-type: none"> • Minimal management • + weed control • Minimal inputs
Cons	<ul style="list-style-type: none"> • Soybean mgmnt • Small grain disease control • 3rd crop marketing 	<ul style="list-style-type: none"> • Increased cattle management • Understanding of cattle market 	<ul style="list-style-type: none"> • Increased labor • Soybean mgmnt • Alfalfa Marketing 	<ul style="list-style-type: none"> • 3rd crop marketing • Labor for alfalfa 	<ul style="list-style-type: none"> • Labor for alfalfa • Marketing alfalfa

WHAT WERE YOUR LEARNINGS FROM CY19?

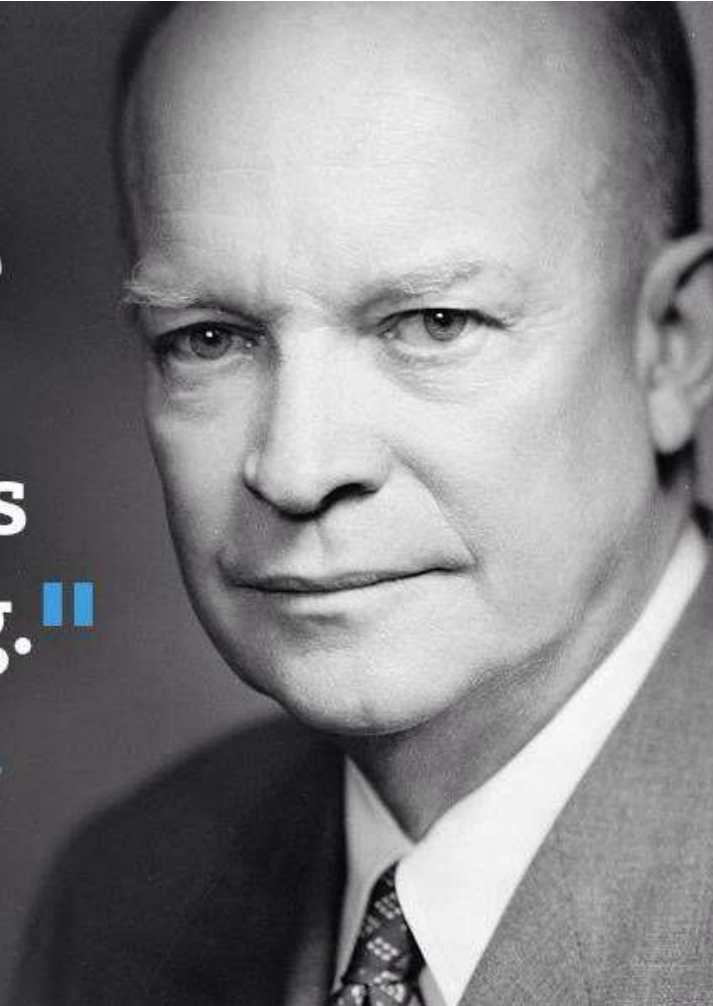
- Keep it simple, don't shoot for the moon



CROP YEAR 2020

**"Plans are
nothing;
planning is
everything."**

-Dwight D. Eisenhower



CROP YEAR 2020 – AGRISECURE GOALS

- Improve efficiency in planning, training, tracking & certification
- Increase adoption of MyFarm utilization – and enhance tools
- Improve data & insights from our network
- Leverage FBN capabilities for organic production
- Refine rotation insights

CROP YEAR 2020 – CLIENT EXPECTATIONS

Keys to get the most out of AgriSecure

- Being an active partner
- Get 2019 in order ASAP, and start 2020 planning today
- MyFarm, MyFarm, MyFarm
- Get into a routine with your Account Executive
- Participate in webinars

WHY START PLANNING TODAY?

1

Proactive Actions a “Win-Win” Outcome

Organic certification takes time, a lot of time! AgriSecure estimates ~ 60 hours per client were dedicated the application process alone – and that doesn't include your time. Starting today will avoid time consuming efforts during planting, harvest, etc.

2

Diverse Rotations require Planning Ahead

Long-term economic and agronomic sustainability requires thoughtful crop rotations – starting early provides more time to refine and improve.

3

Recordkeeping is a “Must Have” for Organic Certification

Detailed and accurate records for up to 5 yrs. are absolutely necessary – trying to recreate what happened is not the right approach.

GETTING AHEAD OF THE GAME

Month	Existing Acres
Complete SOW for CY2020	
Oct	Select crop rotation + AE Meeting (learn MyFarm functionality)
Nov	
Dec	Finalize Crop Plans + Organize Harvest Records
Jan	Review with AgriSecure
Feb	Begin Certification Modules

New Acres
Complete SOW
Share Field Data with AgriSecure (mapping, history, & field plans)
Build Transition Plan

 **Getting ahead of the game will make the crop year and certification run as smoothly as possible!**

TRAINING CONTENT

Pre-Plant to Canopy	<ul style="list-style-type: none">• Building the foundation for success & weed management
Field Days	<ul style="list-style-type: none">• Intercropping trials• Observations from standard rotation crops
Harvest to Deliver	<ul style="list-style-type: none">• Collecting & recording the information required for organic certification in MyFarm
Unannounced Inspections	<ul style="list-style-type: none">• Being prepared 'just in case', and get one-step ahead for 2020 certification
MyFarm Minutes	<ul style="list-style-type: none">• Leveraging MyFarm.AgriSecure.com



What would you suggest for additional training?



PARTNERSHIP OPPORTUNITIES



FINANCE

Input Purchase Financing

With a straightforward, low-hassle application process, qualified farmers can get input financing approval in as little as 48 hours.



CROP INSURANCE

Data Backed Recommendations

Big purchase decisions deserve a diligent analysis. Our Crop Insurance Agents take a data-based approach to coverage recommendations.



MARKETING

Analysis, Advice, & Service

Our marketing products are built for a range of farmer needs. Subscribe to our marketing newsletter, execute your own trades, or sign up for a personal advisor.



INPUTS

Seed & Chem That Perform

No haggle, transparent pricing on farm inputs including seed, herbicide, fungicide, adjuvants and more.

FBN PARTNERSHIP

- AgriSecure will continue to lead member relationships
- Leverages FBN's market insight & analytics capabilities
- FBN's Organic Market Advisor, dedicated to analyzing both national & regional organic markets
- Members of AgriSecure's OGM and FBN's CGM programs will benefit from discounted pricing

ORGANIC GRAIN MARKETING

AgriSecure leverages a robust end-user network to bring market transparency to help our clients make informed marketing decisions.

A structured, risk appropriate approach to marketing organic crops by leveraging our market insight and robust network to identify the best options – including price and logistics – for your farming operation.

- Operational and marketing needs assessment - to understand and identify opportunities
- Development of individualized grain marketing plan
- Organic marketing insights and price updates via monthly newsletter - along with news alerts
- Regular contract price and terms comparisons, with sales recommendations specific to your farm
- Regular contact with AgriSecure's Grain Marketing Manager

Marketing organic crops can be challenging and time consuming – let AgriSecure help you optimize the value of your crop.



MERCARIS – BI-WEEKLY UPDATES

MERCARIS Organic Producer's Report November 19, 2019					
U.S. Organic Feed Grade Commodities: Delivered Price (U.S.\$/bu)					
Two Week Average	2019		2018	Change from Prior Period	Change from Prior Year
	10/13 - 10/26	10/27 - 11/9	10/28 - 11/10		
Corn					
U.S. Total	\$ 8.72	\$ 8.88	\$ 9.89	\$ 0.16	\$ (1.01)
Corn Belt*	\$ 8.72	\$ 8.88	\$ 9.76	\$ 0.16	\$ (0.88)
Soybeans					
U.S. Total	\$ 20.11	\$ 18.54	\$ 19.44	\$ (1.57)	\$ (0.90)
Corn Belt*	\$ 20.29	\$ 18.54	\$ 18.91	\$ (1.75)	\$ (0.37)
Wheat					
U.S. Total	N/A	N/A	\$ 9.80	N/A	N/A
Corn Belt*	N/A	N/A	\$ 9.25	N/A	N/A
* Corn Belt includes IL, IA, MO, IN, MI, OH, MN, WI					
U.S. Organic Food Grade Commodities: Delivered Price (U.S.\$/bu)					
Two Month Average	-2019-		-2018-	Change from Prior Period	Change from Prior Year
	Jul-Aug	Sep-Oct	Sep-Oct		
Corn	N/A	N/A	\$10.26	N/A	N/A
Soybeans	\$22.73	\$21.54	\$21.58	\$ (1.19)	\$ (0.04)
Wheat					
HRS	N/A	N/A	\$15.16	N/A	N/A
HRW	N/A	N/A	\$ 9.92	N/A	N/A

Organic feed corn contracting activity ended the week of November 9 strong as harvest remains behind last year and Q4 reaches its midpoint. Prices averaged \$8.88/bu at the conclusion of the two-week period ending November 9, gaining \$0.16/bu since the previous period, but still down \$1/bu year-over-year.

Organic feed soybean delivered prices averaged \$18.54/bu for the two-week period ending November 9, down \$1.57/bu from the previous period and down \$0.90/bu year-over-year. Contracting volumes were robust in late October and during the week ending November 9.

Organic feed wheat contracting volumes and prices did not meet Mercaris' standards for publication for the week ending November 9, 2019. Average delivered prices were \$9.80/bu for the two-week period ending November 10 during the previous year.

➡ **Talk to your AE to get signed up, if you aren't already**



FBN FINANCESM



DAN ENGLISH
FBN Finance General
Manager



MATT DAHLE
FBN Finance
Loan Advisor

If you would like to chat with our finance
professionals, please call us at **1-866-619-3080**.

Visit our website at **fbn.com/finance**



A SUMMARY OF FBN OFFERINGS

OPERATING LINES

Innovative finance options at competitive rates, covering your full production cycle and giving your operation the capital it needs throughout the year.

EQUIPMENT FINANCING

The flexibility to use financing with a local dealer, auction, neighbor or anywhere else you're looking to buy, lease or refinance farm equipment.

LAND FINANCING

Low-rate offerings when you are financing a land purchase, refinancing your existing farmland or making capital improvements to your land.

INPUT FINANCING

0% interest on purchases through *FBN DirectSM* and *F2F Genetics NetworkTM*, giving you more flexibility and cost savings as you build your plan for next season.

*FBN*SM CROP INSURANCE



INTRODUCING *FBN* CROP INSURANCE

MISSION: To change the way farmers think about and select their insurance coverage through a service built on experience and backed by the *FBN* network and technology



Eric Sorensen
Head Crop Ins., FBN

FBN Insurance LLC is proud to partner with the following Approved Insurance Providers for Crop Year 2020



cropinsurance@farmersbusinessnetwork.com • 388 El Camino Real, San Carlos, CA 94070 • www.farmersbusinessnetwork.com • 1 (844) 200-FARM © 2018 All Rights Reserved. The Sprout logo, "FBN", "Farmers First", and "Farmers Business Network" are registered service marks of Farmer's Business Network, Inc. FBN Insurance services are offered by FBN Insurance LLC (dba FBN Insurance Solutions Services LLC in Texas, and FBN Insurance Solutions LLC in California and Michigan) and are only available where FBN Insurance LLC is licensed. FBN membership not required. FBN Insurance LLC is an equal opportunity provider.



FBN CROP INSURANCE CONCIERGE

Experience our concierge-level service.
Team of connected, experienced agents.
Backed by *FBN* Technology and Analytics.

Unparalleled suite of offerings including MPCl, Alternative Business Solutions + traditional and *FBN* proprietary private products.



The banner features the FBN Crop Insurance logo at the top left, with the text "WHOLE FARM REVENUE PROTECTION" to its right. Below the header is a photograph of a lush green cornfield under a bright, hazy sky. Underneath the photo, a small line of text reads: "Whole Farm Revenue Protections (WFRP) is a federal crop insurance policy that protects against the loss of expected farm revenue." Below this is a box titled "BENEFITS OF WFRP:" containing a bulleted list of advantages. At the bottom of the banner is an orange bar with white text providing a phone number and a website URL.

FBN CROP INSURANCE WHOLE FARM REVENUE PROTECTION

Whole Farm Revenue Protections (WFRP) is a federal crop insurance policy that protects against the loss of expected farm revenue.

BENEFITS OF WFRP:

- In some cases, you can get increased access to credit with WFRP
- Allows for expanded operations and further diversification
- More favorable treatment of quality issues
- Contains eligibility for crops grown for the purpose of seed
- Subsidy levels as high as 80% depending on commodity count and coverage level
- Covers commodities purchased for resale

CALL (844) 200-FARM OR VISIT
USE.FARMERSBUSINESSNETWORK.COM/FBN-INSURANCE

cropinsurance@farmersbusinessnetwork.com • 388 El Camino Real, San Carlos, CA 94070 • www.farmersbusinessnetwork.com • 1 (844) 200-FARM © 2019 All Rights Reserved. The Sprout logo, "FBN", "Farmers First", and "Farmers Business Network" are registered service marks of Farmer's Business Network, Inc. FBN Insurance services are offered by FBN Insurance LLC (dba FBN Insurance Solutions Services LLC in Texas, and FBN Insurance Solutions LLC in California and Michigan) and are only available where FBN Insurance LLC is licensed. FBN membership not required. Certain features available only with FBN membership. FBN Insurance LLC is an equal opportunity provider.



FBN INSURANCE + AGRISECURE

- Eric Sorensen
- esorensen@farmersbusinessnetwork.com
- (515) 250-6878

cropinsurance@farmersbusinessnetwork.com • 388 El Camino Real, San Carlos, CA 94070 • www.farmersbusinessnetwork.com • 1 (844) 200-FARM © 2018 All Rights Reserved. The Sprout logo, "FBN", "Farmers First", and "Farmers Business Network" are registered service marks of Farmer's Business Network, Inc. FBN Insurance services are offered by FBN Insurance LLC (dba FBN Insurance Solutions Services LLC in Texas, and FBN Insurance Solutions LLC in California and Michigan) and are only available where FBN Insurance LLC is licensed. FBN membership not required. FBN Insurance LLC is an equal opportunity provider.



THANK YOU!