

# Who We Are



- Built by farmers, for farmers
- Family Farming since 1968
- The Principals of AgYield have been assisting small & large farm operations across the country for over 45 years
- Original creators and designers of Oak Trading Platform
  - Facilitated order routing by enabling the monitoring of all trader, broker, and customer activity to provide complete risk management
- AgYield's expertise is a natural result of vigorous responsiveness to the needs of its customers & proactive strategic planning to meet the progressive challenges in the agriculture industry



# What We Do



- Fields
- Crops
- Expenses
- Insurance
- Cash/Elevator Transactions

### Profitability Outlook

Value in \$/ac

Yield	Futures Price (Dec '17 - \$3.63)										C.Yield
	\$ 3.00/bu	\$ 3.20/bu	\$ 3.45/bu	\$ 3.65/bu	\$ 3.90/bu	\$ 4.10/bu	\$ 4.35/bu	\$ 4.55/bu	\$ 4.80/bu	\$ 5.00/bu	
180	\$184.09	\$125.69	\$61.94	\$(7.05)	\$(80.81)	\$(82.81)	\$(44.06)	\$(20.56)	\$(19.31)	\$(18.31)	180
185	\$173.44	\$113.77	\$39.19	\$(20.48)	\$(80.56)	\$(83.56)	\$(23.56)	\$0.94	\$3.44	\$5.44	185
190	\$162.19	\$101.85	\$26.44	\$(33.9)	\$(82.31)	\$(44.31)	\$(3.06)	\$22.44	\$26.19	\$29.19	190
195	\$150.94	\$89.94	\$13.69	\$(47.31)	\$(44.06)	\$(25.06)	\$17.44	\$43.94	\$48.94	\$52.94	195
200	\$139.69	\$78.02	\$0.94	\$(32.05)	\$(25.81)	\$(5.81)	\$37.94	\$65.44	\$71.69	\$76.69	200
205	\$128.44	\$66.1	\$(11.81)	\$(16.06)	\$(7.56)	\$13.44	\$58.44	\$86.94	\$94.44	\$100.44	205
210	\$117.19	\$54.19	\$(5.06)	\$1.94	\$10.69	\$32.69	\$78.94	\$108.44	\$117.19	\$124.19	210
215	\$105.94	\$42.27	\$10.94	\$18.94	\$28.94	\$51.94	\$96.44	\$129.94	\$139.94	\$147.94	215
220	\$94.69	\$30.35	\$28.94	\$35.94	\$47.19	\$71.19	\$119.94	\$151.44	\$162.69	\$171.69	220
225	\$83.44	\$30.44	\$42.94	\$52.94	\$65.44	\$90.44	\$140.44	\$172.94	\$185.44	\$195.44	225

+ Action

### Crop

Corn

Entity  
Family Farm *Only*

County

Bureau *Only*

Revenue Components

- Cash Sales
- Value Of Unsold Production *Only*
- Futures And Options *Only*
- Crop Insurance *Only*
- Cost Of Production *Only*
- Other Revenue



Crop Year: 2017/18

### Justin Kelly External

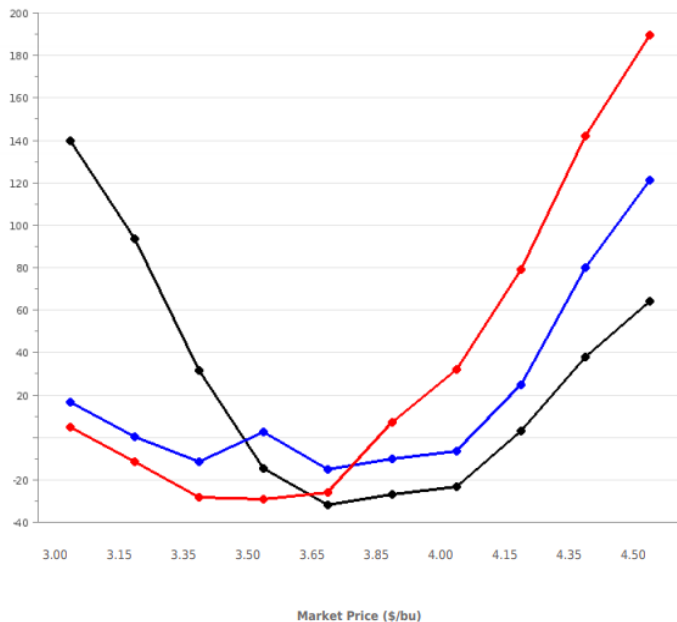
Crop: Corn  
 Acres: 10,000.00  
 Entity: All  
 County: All  
 Revenue Components: All  
 Cost Of Production: \$ 755.00/ac  
 Expected Yield: 200.00bu  
 Basis: -0.25

### Profitability Outlook

Statement Date: August 21, 2017

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Expected Return (\$/ac)



### Strategy comparison

Strategy	Average Return (\$/ac)	Min. Return (\$/ac)	Max. Return (\$/ac)	Min Fut/Opt Value (\$/ac)
Current	\$ 27.31	\$ -32.06	\$ 139.69	\$ -30.81
Athena 1	\$ 20.18	\$ -15.19	\$ 121.06	\$ -1.44
Athena 2	\$ 36.01	\$ -29.28	\$ 189.39	\$ 21.89



Crop Year: 2017/18

### Justin Kelly External

Crop: Corn  
 Acres: 10,000.00  
 Entity: All  
 County: All  
 Revenue Components: All  
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### Profitability Outlook

Statement Date: August 21, 2017

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## Strategy: Athena 2

You pay \$ 30,000/bu (net) in premium in exchange for the right (but not the obligation) to sell 200 contracts of December 2017 Corn futures at a price of \$ 3.30/bu. You have until 11/22/2017 to decide if you want to exercise (take possession of) the short (sold) futures contracts or simply let the options expire.

You collect \$ 106,000/bu (net) in exchange for taking the risk of owning (buying) 320 contracts of December 2017 Corn futures at a price of \$ 3.50/bu. The buyer of the put option can exercise (give you possession of long futures) at any time before or on 11/22/2017. If exercised, you will become long (own) the futures contracts at \$ 3.50/bu and also collect the entire \$ 106,000/bu of premium. If the options are not exercised you will not take possession of the futures contracts but you will still collect the entire \$ 106,000/bu.

You buy 280 contracts of December 2017 Corn at a price of \$ 3.6575/bu.

### Pros:

Purchasing put options allows you to place a "floor" on futures prices for a defined cost. The amount you pay for the option is the most you can lose while the gains are unlimited. This is a very common strategy used for producers who want to establish a minimum futures price without having to sell physical grain contracts.

Selling put options allows you to collect a premium because you are willing to buy futures at the put strike price. You earn the premium whether prices go up or down. Selling put options are often done in conjunction with buying put options of a different strike price (called a "put spread") to lower the total premium paid.

As a derivative, buying futures contracts allows you to buy "own" a large amount of a commodity for a fraction of the price of physical ownership. Rather than paying the full price of the contract, you only have to put up a fraction (5-10%) of the money upfront (margin). Futures contracts closely follow (and in most cases set) the physical prices of the commodities they represent. This allows the buyer to participate in upside price movement without having to physically purchase the commodity.

### Cons:

You must pay a premium when purchasing options. This is the cost of the "futures price insurance" that options provide. Options also have an expiration date so this contract will continue to lose value as time goes on "time value".

Selling options alone creates the opportunity for limited gains and unlimited losses. The most you can make is the premium that was paid for the option, while the losses can be unlimited. You also must wait until the options expiration date to earn the entire premium.

Buying futures contracts and holding those positions can be very capital intensive. Although the amount of money required to hold these positions is very small relative to the value they represent, the buyer of futures must continue to finance (commonly called a margin call) the positions if prices fall. When futures price fall below the purchase price, the buyer must margin the difference in contract value at the purchase price to the contract value at the current price.

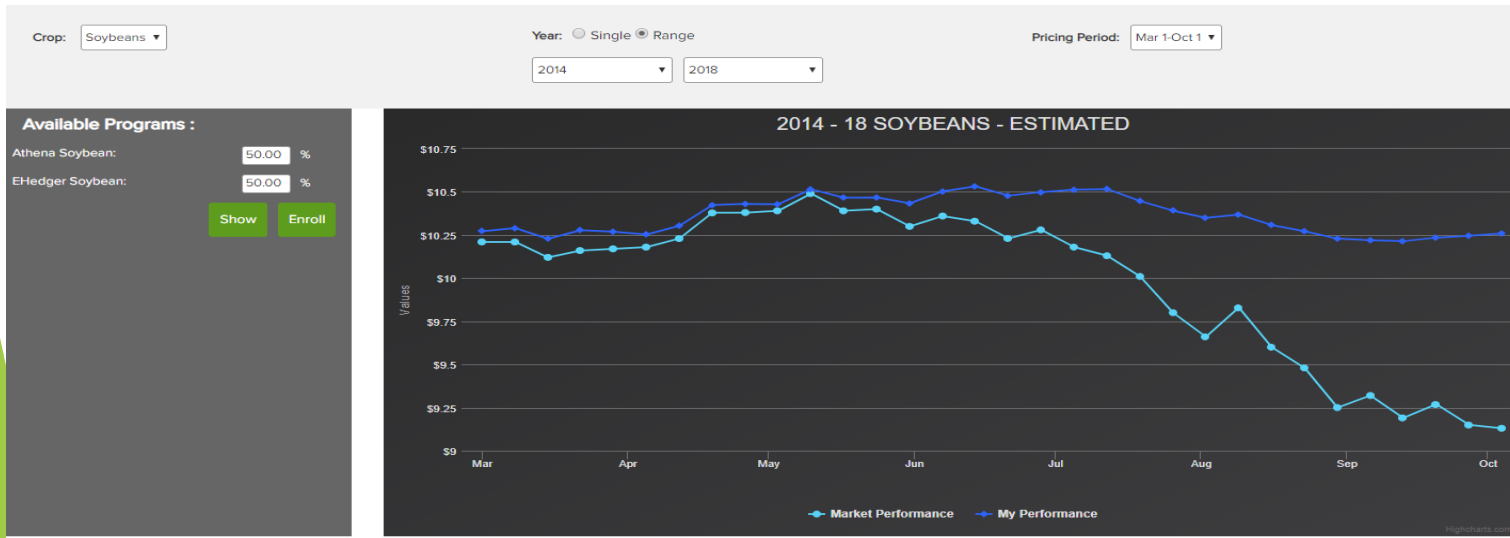
### Profitability Outlook Corn - (\$/ac)

Yield	Futures Price (Dec '17 - \$3.63)										C.Yield
	\$ 3.00 /bu	\$ 3.15 /bu	\$ 3.35 /bu	\$ 3.50 /bu	\$ 3.65 /bu	\$ 3.85 /bu	\$ 4.00 /bu	\$ 4.15 /bu	\$ 4.35 /bu	\$ 4.50 /bu	
185	\$84.89	\$72.45	\$60.87	\$63.43	\$41.99	\$13.41	\$3.97	\$50.03	\$111.45	\$157.51	176
188	\$78.89	\$66.19	\$54.25	\$56.55	\$34.85	\$5.92	\$(3.78)	\$42.02	\$103.09	\$148.89	179
192	\$70.89	\$57.84	\$45.44	\$47.39	\$25.34	\$(4.06)	\$1.89	\$47.94	\$109.34	\$155.39	182
195	\$64.89	\$51.57	\$38.82	\$40.51	\$18.2	\$(10.86)	\$13.14	\$59.64	\$121.64	\$168.14	185
198	\$58.89	\$45.31	\$32.21	\$33.64	\$11.06	\$(0.06)	\$24.39	\$71.34	\$133.94	\$180.89	188
202	\$50.89	\$36.96	\$23.4	\$24.47	\$1.55	\$14.34	\$39.39	\$86.94	\$150.34	\$197.89	192
205	\$44.89	\$30.7	\$16.78	\$17.6	\$(5.59)	\$25.14	\$50.64	\$98.64	\$162.64	\$210.64	195
208	\$38.89	\$24.44	\$10.17	\$10.72	\$1.34	\$35.94	\$68.89	\$110.34	\$174.94	\$223.39	198
212	\$30.89	\$16.09	\$1.35	\$1.55	\$14.94	\$50.34	\$76.89	\$125.94	\$191.34	\$240.39	201
215	\$24.89	\$9.82	\$(5.26)	\$(1.86)	\$25.14	\$61.14	\$88.14	\$137.64	\$203.64	\$253.14	204

# Agyield MBP



- No Margin Calls
- The grower maintains Basis Negotiation
- Removes the emotion from marketing decisions
- Utilizes proprietary Athena software
- Can commit up to two years or 50% of production
- Dedicated portal for tracking the performance of the program
- Integrates seamlessly with current AgYield user accounts



# Real-time monitoring



## AgYield MBP

TOTAL QUANTITY: 100,000

Dashboard

Performance Chart

Outlook

### Managed MBP

MBP Name	Bushels enrolled	Current Price	Change
Ehedger	25,000.00	\$4.2549	\$(0.0725) ↓
Athena Corn	25,000.00	\$3.9925	\$(0.0200) ↓
Conservative	50,000.00	\$4.1149	\$0.1024 ↑

### MBP Bushels

