

2017
Sept.

a view from the WINDMILL



WHERE DOES THE GRAIN GO?

For the past few months, an estimated 5.5 million acres of corn and 5.9 million acres of soybeans have been growing throughout the state of Indiana. Now it is time for those crops to be harvested and then used as feed, food and fuel.

According to the Indiana Corn Marketing Council, nearly half of the corn produced in Indiana is made into ethanol. Ethanol is a grain alcohol that can be blended with gasoline to be used in vehicles. Many gas stations these days use a blended fuel of 10 percent ethanol and 90 percent gasoline. Ethanol is considered a renewable fuel. As mandated by the Renewable Fuel Standard, oil companies are required to blend increasingly more renewable fuels with their gasoline and diesel products.

True or False

1. Soybeans produce more protein per acre than any other crop.
2. The average person consumes 5 gallons of soybean oil every year.
3. One bushel of corn will sweeten 100 cans of Coca-Cola.
4. Corn is the main ingredient in most dry pet food.
5. Indiana can only ship corn and soybeans via land.

Answers on next page

Indiana has the capacity to produce 1,173 million gallons of ethanol per year. Valero Renewable Fuels Company in Linden, Green Plains Renewable Energy in

Bluffton, and The Andersons Clymers Ethanol in Clymers are the highest capacity plants in the state.



Livestock, poultry and dairy are the largest consumers of Indiana's corn and soybean products collectively.

Livestock, poultry and dairy farmers are corn's biggest customers on a nation-wide scale, but in Indiana they only account for about 17 percent. One of FarmFirst's clients sells their corn to Rose Acre Farms. Based in Seymour, Indiana, Rose Acre Farms has become the second-largest egg producer in the United States. With 17 facilities in eight states, that's a lot of chickens to feed!

These days, farming is a global business. About 35 percent of the corn in Indiana is exported. In fact, corn accounts for half of Indiana's total export products. A study in 2014 by Informa Economics found that for every \$1 of grain and grain products

exported, \$3.23 is generated in business sales across the U.S.

87 percent of Indiana soybeans are crushed into meal and oil, according to the most recent statistics posted by the Indiana Soybean Alliance. The crushed soybeans then get used in livestock feed, biodiesel, industrial uses and human consumption. Louis-Dreyfus in Claypool, Cargill in Lafayette and ADM in Frankfort are a few of the crush plants farmers can sell their soybeans to in Indiana.

The soybean meal is used for livestock feed and human consumption. Soybean oil is also used by the food industry, but it can be found in several unexpected products as well. Soybean crayons, soybean oil candles and soybean concrete sealer have all been invented in Indiana.

Indiana grain products are major drivers for the total economy, for Indiana and the U.S. as a whole.

New markets and uses are constantly being developed for corn and soybeans, which only increases the demand for our crops. The variety of markets and end users offers farmers a chance to capitalize on available premiums when it comes to marketing grain. At FarmFirst we are constantly looking for new marketing opportunities to increase our clients' bottom lines.

True or False Answers

1. True
2. False. The average person consumes 7 gallons of soybean oil every year.
3. False. One bushel of corn sweetens more than 400 cans of Coca-Cola.
4. True
5. False. Indiana has 3 shipping ports located in Burns Harbor on Lake Michigan, Mount Vernon and Jeffersonville on the Ohio River.

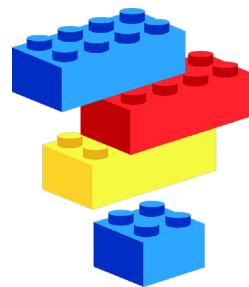
AROUND THE HOUSE

Corn and soybeans can be found in your home, and not just on the table. Here are just a few examples of household items made using corn and soybeans products.



Crayons

One acre of soybeans can produce more than 82,000 crayons. Soy crayons were created by Purdue University students in the Student Soybean Innovation Competition.



Plastics

Plastics such as food containers, kids toys and kitchen utensils can be made with cornstarch.



Ink

Soybean ink is now used in 95 percent of circulating newspapers.

Hand Soap

At least 25 percent of the ingredients in many hand soaps contain corn.



Paint

Soy-based paints are non-toxic



Adhesives

Natural glues found in glue sticks and glue bottles are produced from corn flour. Plywood glue is made from corn oil. Even envelope glue is made from glue that includes corn.



ANTIQUE AGRICULTURE



Left: The Model 40 All-Crop Harvester was an early combine pulled by a tractor. Designed by Allis-Chalmers, the Model 40 brought labor and other cost savings to family farms at harvest.

Right: Today's self-propelled combines are typically a farmer's largest equipment investment. A combine with a 12-row head can harvest an average 12.1 acres of corn per hour.

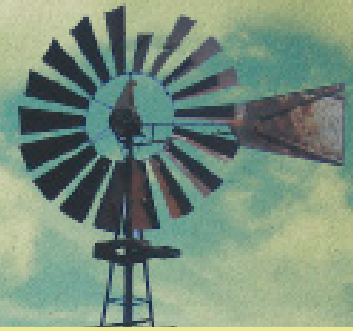


Investors are currently searching for quality farmland to purchase. If you are considering selling land, we can help you evaluate your land's value and make the connectios for the best sale possible. Contact John or Dave today!



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TAKE THE STRESS OUT OF YOUR 2018 FARM LEASE

With depressed commodity prices and less-than-bumper crop yield projections, farmers will be looking to cut costs going in to 2018. Although some input costs, mainly fertilizer, may be lower than in previous years, many farmers will be hoping to lower the cash rent they have to pay in 2018. Lease negotiations can be difficult for both tenants and landowners. It is important in these negotiations to be fair to both parties, which sometimes requires some outside-the-box thinking.

If the farm is being leased on a straight cash rent basis, it can be difficult to come up with a fair number that limits the operator's risk, but still allows the landowner a good return. Some alternatives to a straight cash rent can be used to better accomplish these goals. One method that FarmFirst, LLC has used for many years is a flex or bonus rent. This method sets a baseline rent that will be the minimum payment for the crop year. There is a bonus structure implemented that then allows the landowner to share in the profits when gross revenues increase.

Another option to consider would be moving to a share agreement. There are two traditional share arrangements, one being 50-50 and the other one third/two thirds. In a 50-50 agreement, the landowner and operator equally split variable costs such as seed and fertilizer. The operator provides 100 percent of the labor and machinery. The gross revenue is then divided equally between landowner and operator. In an agreement on thirds, the operator pays all the costs and gives the landowner one third of the gross revenue. These different lease arrangements require a higher level of input and understanding on the landowner's side.

The Professional Farm Managers at FarmFirst, LLC can handle the lease evaluation and negotiation for you and take you out of a stressful situation. We can make a share lease or a flexible cash rent lease a win-win arrangement!