



DEVELOP THE RIGHT PLAN FOR YOU.



The Agricultural Risk Consulting Group LLC

*Developing and Implementing
Sound Risk Management Solutions*

(866) 574-2724 • agriskconsulting.net

What should you look for in a risk management consultant?

Independence – The freedom to market your grain to any end user and leverage better prices and terms by combining bushels with other growers.

Trust – This may seem obvious, but it is at the heart of any relationship.

Experience/Background – Our consultants have the background and experience to successfully execute a comprehensive strategy.

Local Cash Grain Presence – We will negotiate and trade physical cash grain sales to your local end users.

Consistency – Our approach to futures management is consistent, clear, and concise.

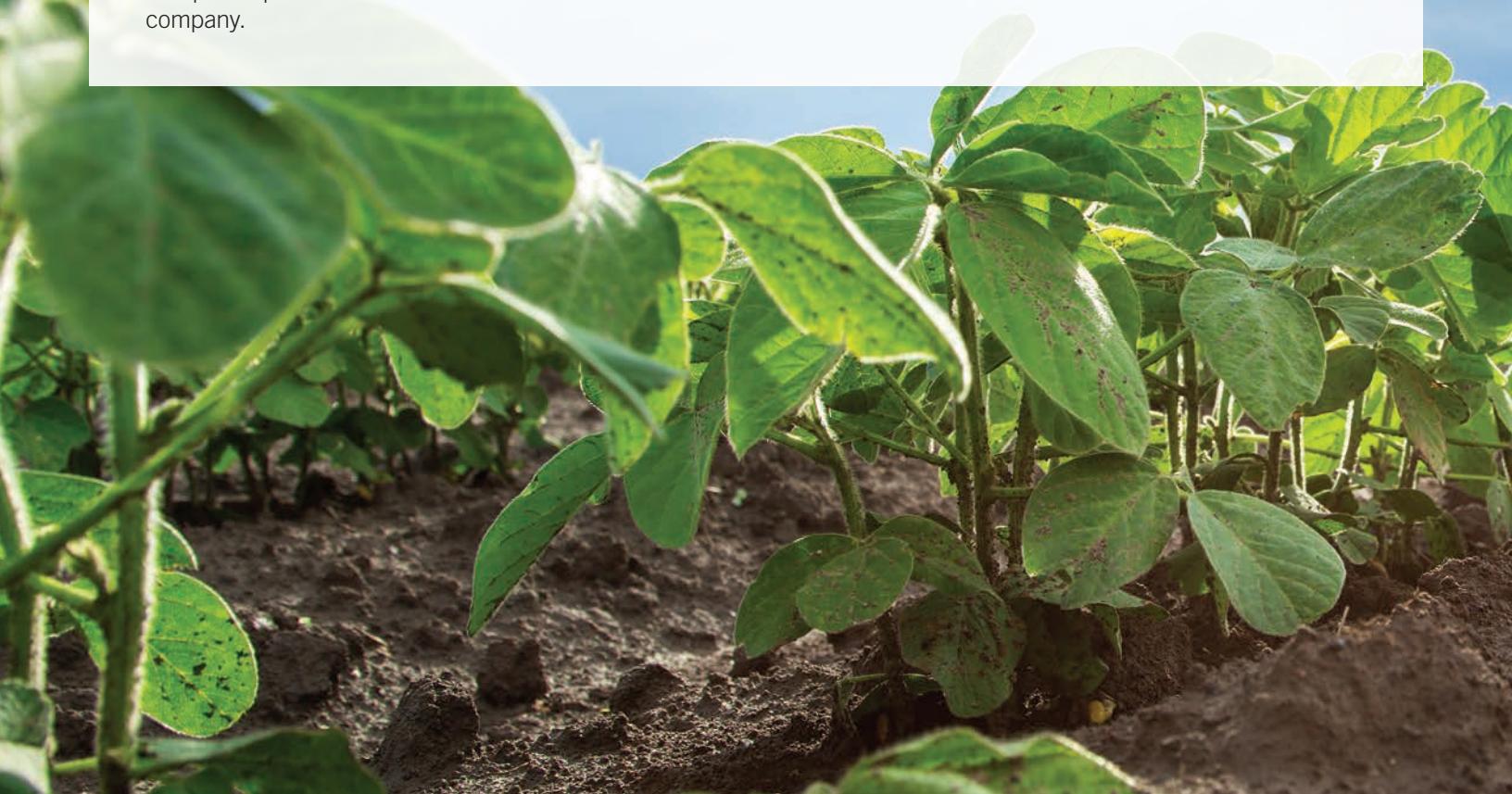
Results – Our success is based on a sound and disciplined plan consistent across the entire company.

Who We Are

The Agricultural Risk Consulting Group LLC is a commodity consulting firm comprised of former grain merchandisers and risk managers specializing in managing the risks inherent in agriculture. We are completely aligned with your best interests by having a risk management and grain merchandising strategy independent of all end-users.

What We Offer

- Hedging
- Specialized Over-the-Counter hedging products
- Marginless hedging programs
- Crop Insurance
- Farm Plan Statements





The ARC Group is dedicated to serving producers in the western cornbelt and we have earned our reputation as a trusted partner; one client at a time.

We understand that not all farms manage risk the same.

We focus on implementing and executing a consistent plan that aligns with your risk management goals. We feel this approach creates long-term success for our clients.

What is risk management?

In the world of agribusiness there are many risks and uncertainties. Successful producers have a production game plan, utilizing the best technology including seed, chemicals, fertilizer, and equipment to manage the agronomic challenges they face. However, many

producers fail to implement and execute a consistent, long-term risk management plan for their crop which leads to procrastination, emotional decision making, and frustration. Agribusinesses that are profitable over time implement sound and consistent risk management programs. They have no special insight or ability to predict where the market is going; however, they do use a set of consistent principles which guide their decision making.

The ARC Group helps producers professionally merchandise their grain by following a disciplined risk management program which focuses on three key principles: futures, carry, and basis. All three need to be maximized to have a successful marketing plan.

The ARC Group is an independent local company. Our consultants have the experience and expertise to help you implement and execute a merchandising plan tailored to your operation. We are completely aligned with your best interests by having a risk management strategy independent of all end-users.

Three important questions to ask:

1

Do I have a grain market strategy in place?

2

Do I have the time and discipline to execute this strategy?

3

Do I have a trusted, independent expert to assist in this process?

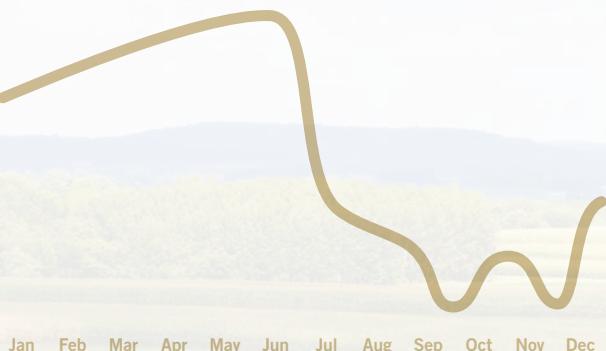
Our Strategy: Risk Management Plan

What tools?

- Crop Insurance
- Futures
- Options
- Over-the-Counter Trades
- ARC Edge Program (Marginless)

When to pull the trigger?

We stick to a tried and true plan of selling incrementally during a pre-harvest seasonal time frame.



Have a PLAN so you don't have to worry about the day-to-day headlines!

Merchandising – Now that your futures price is protected we need to look at BASIS and CARRY. Through our tools you are able to manage risk while staying INDEPENDENT of commercial grain companies.

BASIS and CARRY – We will evaluate basis in your area and trade your physical bushels when most advantageous. Carry dictates if you should store your grain or move it.

CASH GRAIN PRESENCE – The ARC Group has developed trusted relationships with grain companies throughout the Midwest and will be able to help evaluate your best bid. Many ARC team members have commercial grain trading experience. Allow us to put that experience to work for you.

Trade futures, basis and carry independently of each other to maximize value on your operation.

ARC Insurance Agency LLC – Having the proper crop insurance policy and understanding how it ties to your grain marketing is very important.

Over-the-Counter Trades

Daily Swap Average (DSA)

An averaging contract of the futures closing price through a specific averaging period.

Enhanced Average (EA)

This allows you to establish a minimum price, or floor, on a set amount of bushels and participate in market rallies. A strike price is established at the market any time before the averaging period. During the averaging period, the customer receives either the futures closing price or the strike price, whichever is higher that day.

OTHER

We have our own OTC desk and have the flexibility to offer whatever our customers want. Many grain companies are getting more creative in their offerings to procure more bushels. If you like a product that is out there, but don't want to commit your bushels to anyone, let us know! We will execute it for you, independent of end users.

Averaging Period

We use February through June. Historically, this is the best time to sell grain. We can also adjust the averaging period.

ARC Edge

ARC EDGE is our hedge-to-arrive (HTA) program. We can tie any of our risk management tools to an HTA. Since the contract is with The ARC Group, you are not locked in to where you sell your grain or to whom. It allows you to manage risk without worrying about margin and keeps you INDEPENDENT.

\$5.48
Dec 2012

\$5.48
Dec 2013

\$4.75
Dec 2014

\$3.96
Dec 2015

Corn Seasonal Average Results

Benefits

- Removes emotion and stress from marketing grain
- Allows customers to capitalize on seasonal market trends
- Sell incrementally over an extended period of time
- Ability to price out at any time
- EA's are cheaper than CBOT Puts and minimum price contracts
- No bushels are priced below your EA strike price
- Reduces price volatility

THE ARC EXPERIENCE

Learn about your operation:

- Crops
- Acres and Yield
- Insurance level
- Preferred delivery locations
- Risk management tools you like (futures, options, OTC, HTA)

1

What percent to protect pre-harvest

2

What percent you would like in each tool:

- % of futures
- % of options
- % of DSA's
- % of EA's
- Put trades in your own account or in ARC EDGE

3

Look at carry and basis. If favorable, look for best basis location, look for best bid into that location, and see if we can get volume into that location to make the bid more competitive.

5

Adjust plan as necessary. The back bone of our strategy is still hedge incrementally during the seasonal time frame. What may change is what tool you are comfortable using as unexpected events occur. It is important to stick with a consistent plan year over year. It will reduce volatility and increase profitability over the long run.

4

FARM PLAN

GENERAL INFORMATION				PRICE PROTECTION SNAPSHOT				CURRENT MARKET POSITION				
	Dryland	Irrigated	Special	Total Cash & Futures Sales	102,000							
Acres	82	570	0	Estimated Prod. Committed %	76.3 %							
Est. Yield	135	215	0	Pre Harvest Hedge %	101.8 %							
Est. Prod	11,070	122,550	0	Remaining Cash to Commit	111,620							
Removed Amount		0		Basis Committed	0							
Total Prod.		133,620		Hedged	76.3 %							
Insurance (level %)		75%		OTC Futures	75,000							
Pre-Har Hedge		100,215		ADMIS Futures	5,000							
Storage		0		Cash Committed	22,000							
ACCOUNTING SNAPSHOT				HTAs Locked	0							
Unsold Cash Value		\$412,156.85		HTAs Unlocked	0							
Closed ADMIS Positions		\$2,250.00		Hedged w/ Upside	0.0 %							
Closed OTC Positions		\$13,933.48		OTC Hedged w/ Upside	0							
OTC Account		\$17,812.50		ADMIS Hedged w/ Upside	0							
ADMIS Account		\$175.00		Unhedged	23.7 %							
HTA Sales		—		OTC Unhedged	0							
Basis Value		—		Unhedged/Uncommitted	31,620							
Cash Sales		\$76,470.00		CURRENT CASH AVERAGE PRICE				PRICES AND CARRIES				
Current Value of Total Production		\$522,797.83		\$3.91				Month	Contract	Price	Carry	
OTC POSITIONS												
Trade ID	Activity	Trade Date	Accum Start Date	Accum End Date	Futures Amount	Futures Month	Buy/Sell	Call/Put	Option Strike	Enter Price	Current Premium/Future Price	Gain/Loss
6620	Commodity Swap	10/27/2015			75,000	K2016				\$3.98	\$3.74	\$17,812.50

Know your average
price at a glance





Our locations

Main Office
8555 Executive Woods
Drive, Suite 400
Lincoln, Nebraska 68512

Alva Office
27089 CR 410
Alva, OK 73717

Butte Office
714 Thayer Street
Butte, NE 68722

Dodge City Office
1409 E Trail
Dodge City, KS 67801

Edmond Office
2627 Ashe Creek Dr
Edmond, OK 73034

Salina Office
1837 Lewis Street
Salina, KS 67401

San Francisco Office
301 Battery Street
Second Floor
San Francisco, CA 94111

Turtle Lake Office
2216 18th St. NW
Turtle Lake, ND 58575

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