



A View from the Field: Eastern Corn Belt

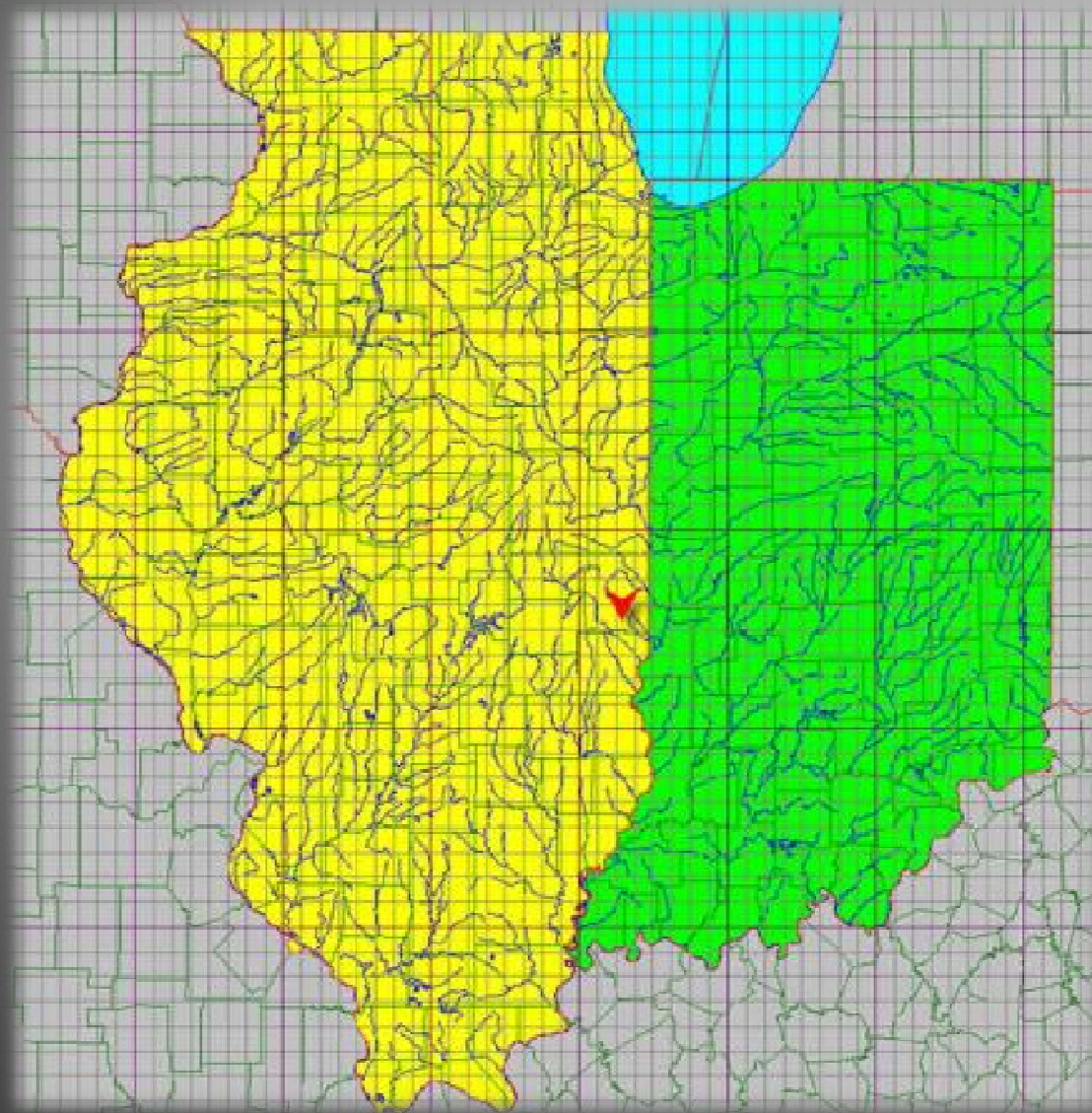


Cochran Agronomics, Inc.

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Eastern Corn Belt
Illinois/Indiana

2009 Crew and Conditions



"As you know I have been committed to a 50-50 crop rotation (due to agronomic benefits) for corn and soybeans for 33 years. So regardless of fertilizer prices or other input costs, that is what I will plant. I have always been concerned about the supply of fertilizer which ultimately sets the price. I wish prices could be more consistent each year but that probably won't happen. I do wish there was more hedging of these prices at the local level by our suppliers. However, they only seem to be concerned with their margin, although as a former grain dealer, you make the same margin when beans are \$5 as you do when they are \$10. The same applies to fertilizer. I have been most disappointed that my local supplier will not lock in 28% N when prices are low in the summer or early fall and fill their tank, since they have storage and I don't. Bottom line, I would like to see more consistency in supplies and prices. If we know the price far enough in advance, we can budget accordingly as I did last year in reducing the P & K by \$100K and lowering inputs to an affordable level."

Paris, IL Grower

September 28, 2009

- "I would think there is a shared sense of outrage in the ag community over the fertilizer prices we paid a year ago and what they are now. Supply and demand are one thing but obviously the farmer, including myself did not learn from the oil industry about price gouging. Where were the perceived shortages we were lured into prepaying at \$1,000/t NH_3 ? The local paper ran an ad last night at \$335 now. Locally we like to grow corn, but I can't help but think there will be continued less corn, less fertilizer applied and plant only beans."

September 25, 2009
Farm Manager, Paris, IL

"The most important thing I could see as a help to the fertilizer industry, and the farmers as a whole is to find a way to decrease the volatility of the fertilizer market. Brokers, retailers, and end users need to be able to hedge their needs. Locking in margins before a crop is grown is what the farming business is coming to. Fertilizer prices to the farmer used to be more stable than they have been in the last few years. This is just one more variable that the farmer has to deal with and cannot always contract ahead for product when he wants. If there was a good way for the retailers or the farmer to hedge a future need then they could control the risk much better."

East Central Illinois Grower
September 25, 2009

- "Please convey that my biggest fear is not fertilizer pricing or supply, the market and economics will take care of that and we as producers will adapt accordingly.

My fear is the uncontrollable influence of this administration and that its "organic" views will try to reshape how we farm. I worry more about the potential limitation of fuel and inorganic fertilizer use, all in the name of "protecting" our populous and giving the "little guy" and undeveloped nations' agriculture a "chance". The world will soon starve without our so-called big ag being an efficient food machine. We, being the American Farmer and "Big Ag" are no different than the need for big oil to efficiently supply us energy, big insurance and medicine to supply us with the best and safest health care in the world, and big finance to supply us with the most efficient supply of liquidity and credit in the world. Please encourage your organization to redouble its efforts, both in its lobbying and legislative effort and public relations effort, to get out the word that American agriculture is the safest and most efficient food supplier both in the world and for the world.

Once again, I feel that we farmers can deal with the variations in the fertilizer industry and will react as the free market dictates, but we need a loud voice to support and perpetuate the free market."

Edgar County, Illinois Grower
September 25, 2009



Consistent Prices and Supplies

Decrease Volatility

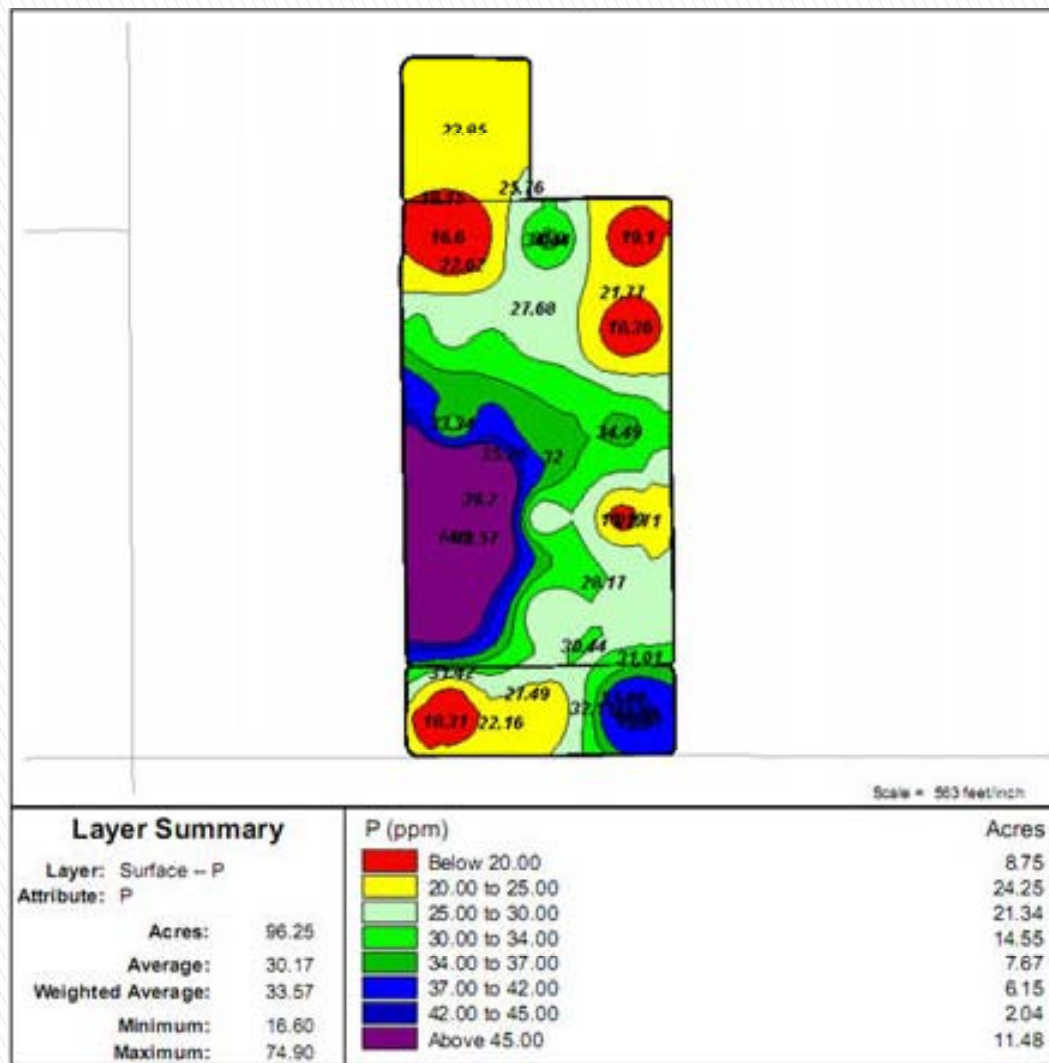
Contract for Products in Advance

See the American Farmer as the worlds' food supplier with the same energy and fertilizer needs as a global corporation.

- ▶ Due to last year's rising input costs, we at Cochran Agronomics, Inc. have been asked to create various regressions for our clients. These offer our clients increased control over their input costs.

Comparative Regressions

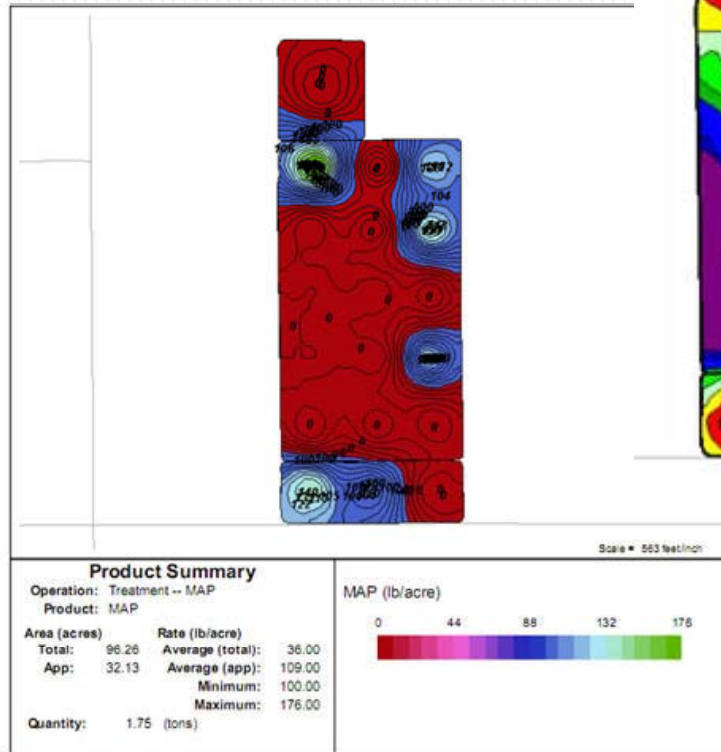
- ▶ **50-350** – loading rate 50 # P and 350 # K
- ▶ **70-400** - loading rate 70 # P and 400 # K



P Surface Map in PPM

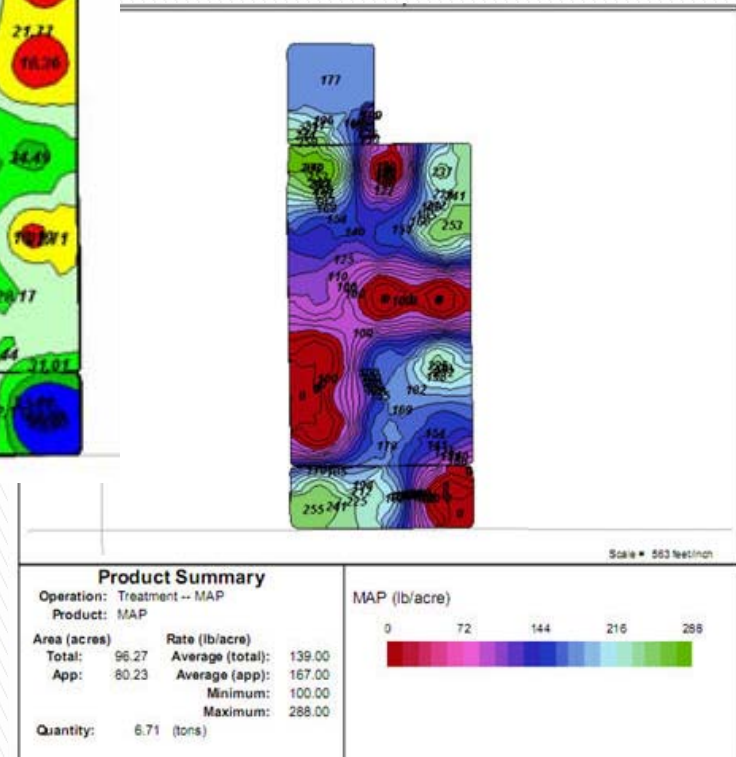
P Surface Map to VR MAP

1.75 T @ \$376.00 = \$658.00
 $\$658.00 \div 96.26 \text{ A} = \$6.84/\text{A}$



50-350

6.71 T @ \$376.00 = \$2523.00
 $\$2523.00 \div 96.26 = \$26.21/\text{A}$

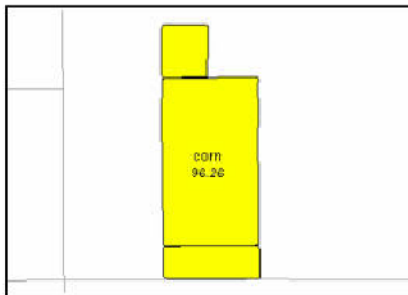


70-400

The Grower's Choice



50-350

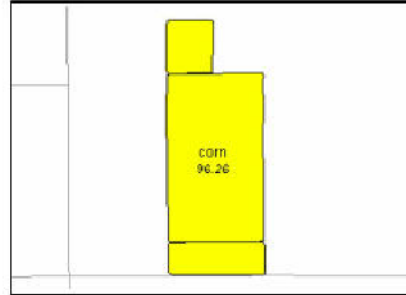


Business: Doe Farms, Inc.
Farm: West Farm
Field: West -100
Acres: 96.26
Crop Year: 2010

Crop Zone	Planned Application		Quantity	Price	Per Acre	Total Cost
corn 96.26 acres						
Treatment -- MAP	MAP	109.00 lb/acre	1.75 tons	\$376.00	\$6.84	\$658.00
Treatment -- NH3	NH3	202.00 lb/acre	9.70 tons	\$455.00	\$45.86	\$4,414.00
Treatment -- Potash	Potash	226.00 lb/acre	10.8 tons	\$585.50	\$65.69	\$6,323.00
					\$118.38	\$11,395.00



70-400



Business: Doe Farms, Inc.
Farm: West Farm
Field: West -100
Acres: 96.26
Crop Year: 2010

Crop Zone	Planned Application		Quantity	Price	Per Acre	Total Cost
corn 96.26 acres						
Treatment -- MAP	MAP	167.00 lb/acre	6.71 tons	\$376.00	\$26.21	\$2,523.00
Treatment -- NH3	NH3	189.00 lb/acre	9.09 tons	\$455.00	\$42.97	\$4,136.00
Treatment -- Potash	Potash	217.00 lb/acre	15.3 tons	\$585.50	\$93.06	\$8,958.00
					\$162.24	\$16,617.00

The Focus should be 100% on the Bottom Line

Profit =

↑ Yield x Sell Price ↓ Input Costs



Thank You

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Your best interest is always in our best interest

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