



THE KOEMAN GROUP

CONSULTANTS TO AGRICULTURE

80 Ottawa Ave NW Ste 308
Grand Rapids, MI 49503
T 616.458.5212
F 616.235.3171



Average Crop Revenue Election (ACRE)

How can Koeman Group help me in my decision about ACRE?

Koeman Group will analyze specific data about your farm and the state to help you make the best decision about the ACRE program. We will also consult on how your decision to join ACRE can affect your farm's revenue due to payment limits, the 20% reduction in direct payments and 30% reduced loan rate.

How does Koeman Group analyze my farm's data?

Koeman Group takes into account your farms past yields and uses that data to "predict" what your range of possible future yields will be, once we have this range of possible yields we run your data through our computer model that calculates thousands of possible outcomes. We then analyze these thousands of outcomes and tell you which outcomes are the most likely to happen (See figure 1). We use a similar "prediction" to calculate the range of possible future prices will be (See figure 2). We can then use this to help you in your decision about ACRE. Koeman Group's analysis also includes the likelihood of your farm receiving LDP's and CCP's.

How is Koeman Group's analysis different than the free online calculators?

Our analysis is different because our model uses a method called stochastic simulation to analyze thousands of possible outcomes. Koeman Group also correlates your farm yields with the states yields which is important when accounting for the likelihood of not receiving a payment because only one trigger was met. Most online calculators can only give you one possible outcome at a time, and often do not correlate yields. We also calculate your ACRE payment by farm number, we can do multiple simulations with all or some of your farm numbers enrolled in ACRE.

How can I find out more?

Feel free to call us at 616-458-5212 or by e-mail at info@koemangroup.com. If you want more specifics we do webcasts where we can personally show you more about what to expect from our analysis and answer any questions you may have.

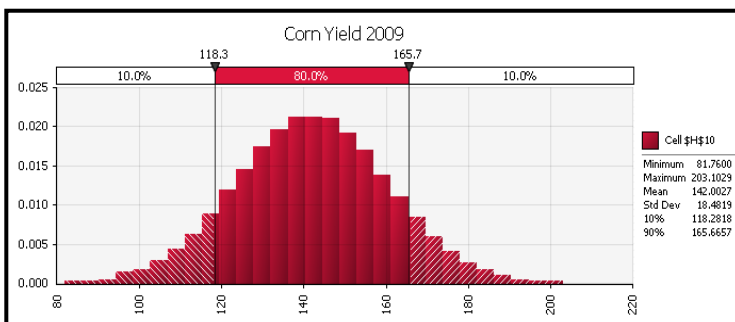


Figure 1

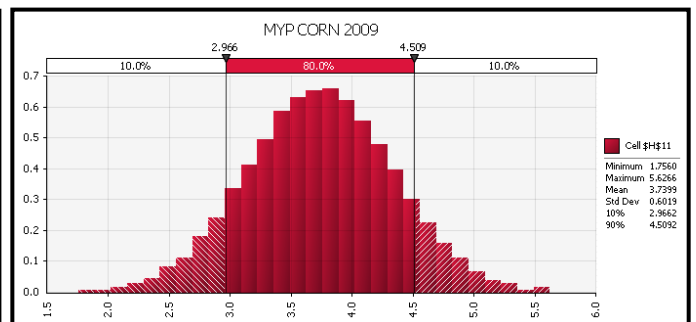


Figure 2

Sampling of our ACRE Report

Actual report contains much more.

KOEMAN GROUP
CONSULTANTS TO AGRICULTURE

Sample Farm

This is average payment over 4 years of all farms enrolled in ACRE of all the scenarios. With this farm 70% of the scenarios fell between \$334,000 and \$528,000 for ACRE.

ACRE Analysis

Average Payouts

	Total	Annual
ACRE	\$430,760	\$107,690
Traditional	\$325,750	\$81,438
Advantage	\$105,010	\$26,253

This is just the average payment divided by 4 to calculate what your annual ACRE payment would be.

Difference between ACRE and Traditional

Year	Average ACRE Advantage	Chance of Positive Advantage
2009	\$45,986	65%
2010	\$36,160	66%
2011	\$17,444	54%
2012	\$5,420	35%
Total	\$105,010	87%

Chances that ACRE will pay more than Traditional each year.

Most likely amount "left on table" due to Payment limits. Some farms may want to increase payment limits depending on this number.

Potential Money "Lost" Due to Payment Limits

Year	Average Loss	Chance of loss
2009	\$34,076	36%
2010	\$21,014	25%
2011	\$10,322	13%
2012	\$7,948	6%
4-year	\$73,361	61%

Chances that total ACRE will pay more than Traditional over 4 years.

CORN

Year	Average Acre Payment	Chance of payment
2009	\$24	45%
2010	\$16	33%
2011	\$14	27%
2012	\$9	20%

Most likely ACRE payment per acre of corn planted.

Chance of getting limited out on ACRE Payments.

SOY

Year	Average Acre Payment	Chance of payment
2009	\$15	42%
2010	\$9	27%
2011	\$5	17%
2012	\$4	14%

Chance you will get an ACRE payment for the crop that year.