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There is a risk of loss in all futures trading. The information and opinions contained herein comes from sources believed to be reliable, but are not guaranteed as to accuracy or completeness. AgPerspective Commodities is an introducing broker for R.J. O'Brien and Associates Inc.

FIVE REASONS FOR AG PRODUCERS TO INVEST IN MANAGED FUTURES

1. While Farmland has been a relatively good investment over the last 30+ years it is susceptible to the ebb and flow of grain prices. If grain prices fall, both your operation and land investments will come under fire.
2. Access to investments. Every account is held separately and can be liquidated in anywhere from one day to a month without penalty.
3. Managed futures do not rely on supply and demand or inflationary pressures to generate returns. Managers employ long or short strategies and professional risk management that can outperform a long only strategy.
4. Managed futures can be held within your SEP IRA.
5. Trades placed through the Chicago Board of Trade/CME Group which employs some of the most sophisticated risk management software in the industry and has never experienced a default.

Managed Futures are an alternative asset class defined by Commodity Trading Advisors that generate returns via advisor skill and risk management. CTA programs have shown an extremely low correlation to stock market returns over the last 30 years providing a great vehicle for portfolio diversification. With the recent recovery in the stock market and a booming Agricultural economy, it is easy to lose sight of the risks that challenge your retirement and investments. If you are interested in seeing how managed futures can help diversify your portfolio, possibly reduce draw downs and boost returns – give us a call.



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ISSUE

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AGPERSPECTIVE INC

R I S K M A N A G E M E N T

Experience

Knowledge

Trust

AgPerspective Inc is an equal opportunity insurance provider.



Brian Freise

**PRESIDENT/
 CROP
 INSURANCE
 SPECIALIST**



HEAVEN IS FOR REAL

Several months ago my Pastor recommended a book to me called *Heaven is for Real* by Todd Burpo. I have come to learn that if my Pastor recommends a book it will be well worth the read. So I began reading it immediately and almost just as quickly as I began I had the whole book read. I am not the fastest reader so to read a book in a sitting or two is a major thing. To say that this book touched my heart is an understatement. Several years ago I made a decision during a point of crisis in my life to get serious about the Christian faith that my parents instilled in me as a small child. This decision began a transformation in me that words cannot simply describe. I have learned that this earth is not my home and that when I die it is simply a new beginning and not the end. That I have been created, like yourself, for a unique purpose that I am in the process of realizing each and every day. Throughout this transformative process I have read numerous books about the Christian faith. Many of them were very good and helpful, but none of them boiled down the message of Christianity as simply as did *Heaven is for Real*. I believe this to be the case because it is told through the eyes of a four year old. Jesus had much to say about our need to have faith like a child (see Matthew 18:3). Shortly after reading the book I was given the idea to send a copy to our entire client base. I did not know what to expect nor did I really have any expectations at all, but I must say that I was overwhelmed by the response. Having a customer is a blessing and being able to help that customer in any way shape or form provides a tremendous sense of fulfillment. If you received the book and would like another copy for a friend or you have not read it but would like to send me an email

(brian@agperspective.com) or call the office (815-284-9792) and we would be happy to mail you the book(s). I pray that God will bless you and guide you in all of your pursuits.

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#1 New York Times BESTSELLER

TODD BURPO
 with LYNN VINCENT

Heaven is for Real

A Little Boy's Astounding Story of His Trip to Heaven and Back

"Compelling and convincing. It's a book you should read."
 —DON PIPER,
 author of
 90 Minutes in Heaven





**NICK
EMMERSON**

**CROP
INSURANCE
SPECIALIST**

815.284.9792

**IMPORTANT
UPCOMING
CI DATES**

**ACREAGE
REPORTING
6-30-11
OR
7-15-11**

**PLEASE CONTACT
YOUR AGENT FOR
THE ACREAGE
REPORTING DATE
IN YOUR AREA!**

**ACRE PROGRAM
PRODUCTION
DEADLINE HAS
BEEN EXTENDED
TO SEPTEMBER
1ST.
PLEASE CALL OUR
OFFICE OR YOUR
LOCAL FSA WITH
ANY QUESTIONS
ABOUT THE ACRE
PROGRAM!**

RAMP YOUR FARM TO THE NEXT LEVEL WITH THE NEW RAMP PROGRAM

AgPerspective Inc. is a family owned risk and asset management firm located in Dixon, IL with branch offices near: Peoria, IL, Indianapolis, IN, and Cincinnati, OH. Founded in 2003 as a Crop Insurance firm that specialized in using that crop insurance as a tool in a farmer's marketing plan, AgPerspective has been a leader in understanding and providing information about the ever changing agriculture business. That changing business environment has required AgPerspective to be ever changing as well. We evolved from a crop insurance and marketing firm, to providing the Commodity Risk Solution (CRS) program. Through our clients, we have learned that today's farm is a complex business entity and the issues facing the farmer are far more reaching than just commodity risks. This understanding has led us to the announcement of a new program called "RAMP", Risk and Asset Management Program.

RAMP offers agricultural producers a personalized and comprehensive program geared toward their farming operation. RAMP combines Crop Insurance, hedging strategies, cash grain sales, asset management and government programs with a business analysis to form strategic plans with a goal of sustainable financial health.

RAMP utilizes the S.W.O.T approach to business analysis to assess strengths, weaknesses, opportunities and threats of each operation. Identifying these areas provide the basis for devising plans to minimize threats, attend to weaknesses and seize opportunities. The more AgPerspective knows about your farming business, the better we are able to tailor the RAMP program to fit your needs.

Government programs can play a large role in what crop insurance you choose. We will help you make an informed decision on the crop insurance best for your situation and then we will employ that crop insurance in making a custom marketing strategy. Many firms claim crop insurance should help you with your marketing. At AgPerspective we not only believe that, we believe it is the center piece of a marketing strategy and we specialize in using each to its maximum potential in union with each other.

RAMP also provides for AgPerspective to help each farmer with their Cash grain sales which often seems to be the forgotten by many marketing firms. The ultimate goal of the farm business is to sell the crops at a profit. Risk management strategies must take into account the sale of the grain.

RAMP does not stop advising you when the production cycle ends and your cash grain has been sold. With a CPA and financial advisors on staff, we will help make sure that the grain you have turned into cash is adequately protected and diversified so that you can utilize it in the future when it is needed. Whether this is reinvesting in your operation, investing outside your operation or helping you with a succession plan, AgPerspective is fully equipped to formulate a strategy for you.

Please contact AgPerspective about RAMP at 815-284-9792! We will be happy to meet with you and provide more information about how RAMP can ramp your farm to the next level.

WELCOME DICK GORMAN!

It's about a 50 minute drive from Rockford to Dixon, through some of the nicest farmland in Northern Illinois. I am getting accustomed to the trip. My name is Dick Gorman and I have recently joined the AgPerspective team as CFO/COO. I want to thank Brian and Krystal for this opportunity and also thank the great people here at AgPerspective for their warm welcome.

I was born and raised in Peoria, IL, went to school at Eastern Illinois University in Charleston, took my first "real" job in Chicago, then moved to Rockford which has been my home for the past 29 years. My wife Cindy and I will soon celebrate our 25th anniversary. We have been blessed with 5 children. I received my CPA through the U of I in 1980 and worked in that capacity for the first 4 years of my career. Most of my career, however, was spent working for a family in Rockford that owned a chain of supermarkets and the shopping centers in which they were located. For about 19 years I served as the CFO overseeing the financial operations of several entities that included the markets, real estate leasing and development, construction and financing. Most recently, I have worked as a consultant to banks and developers in devising plans to stabilize real estate projects that, for one reason or another, were struggling.

I look forward to working with the clients of AgPerspective to learn about the issues facing today's farmer. And I look forward to working with the staff at AgPerspective to continue to look for ways to provide the most current and effective solutions to those issues.



**TROY
RASMUSSEN**

**AGPERSPECTIVE
COMMODITIES**

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A BREAKTHROUGH IN HEDGING

Since our company's inception in 2003, AgPerspective has been working diligently to bring new ideas and products to producers that help minimize risk while managing costs. We are proud to announce that we are unveiling a large breakthrough in hedging called the Over the Counter (OTC) market.

The OTC market has been gaining popularity for large hedgers in the energy sector for years. Over the last decade major companies like Pepsi-Cola have realized a need to seek out large grain sellers to swap risk. Their need to buy (price risk higher) is offset by companies who need to sell (price risk lower). We are now able to make this market available to moderately-sized producers. These producers will be able to hedge against risk in a similar fashion that's done on the Chicago Mercantile Exchange (CME) but typically at less cost with customizable time frames and contracts, and lower margin requirements.

This is a breakthrough in producer hedging as tools like Asian Options and Modified Averaged Options are now available. In the past these tools were only available to extremely large commercial hedgers while farmers were limited to using the CME. We don't see the OTC market replacing the CME, but we are thrilled to have an alternative market that in many cases offers a more direct hedge for producers.

Those of you that work with us know that we focus on managing risk by coupling Marketing and Crop Insurance. One of our common "base-hit" strategies is to move revenue floors that naturally exist within revenue based Crop Insurance policies higher when a rally has pushed price higher during the growing season. This move locks in a higher price floor above insurance while giving growers upside pricing potential and maintaining control of the unsold bushels. With access to the OTC market we now can shop for a Modified Averaged Option that could be in place from Memorial Day through July 4th, the most volatile time of the growing season. Producers can see a cost savings by buying less time premium while protecting crucial risk periods, and extracting value from current Crop Insurance policies.

During the rally in 2008 it was difficult to hedge 2009 risk due to the excessive option premium as a result of buying so much time value in CME options. Other hedging alternatives at the time were to sell corn, but with merchandisers' unwillingness to accept margin exposure, producers were left in a terrible spot. We feel the OTC market may well be our solution if the same scenario presents itself again. Due to the customizable nature of the OTC market we can purchase hedging strategies for substantially less cost than is available using the CME only. We have found consistent cost savings of 10% and it is not unusual to see up to 60% savings based on the strategy being implemented. A possible solution to this dilemma may be to look at an Asian Option that averages December 12 futures during a specific time frame. A standard CME option expires on a given day and the final settlement is based on futures relative to the original strike price. With an Asian Option much of the volatility premium is reduced as it averages daily closing price during a selected time period which equates to less cost while offering a fixed floor. An Asian Option is not a fit in every case but it is another valuable tool in our hedging tool box the OTC market provides. The OTC market is something every hedger should strongly consider and we are extremely excited about its possibilities.

The OTC market is regulated by the CFTC and there are certain requirements that must be met by all participants. These requirements are one way by which the CFTC works to maintain the integrity of the market. We are convinced that a large percentage of Midwestern producers will meet the requirements. Financial requirements are quite moderate for hedgers and considerably more stringent for speculators. This requirement helps minimize the risk that speculators bring to the market by requiring a higher capital investment on their behalf, and again improving the integrity of the market.

At AgPerspective we are committed to staying on the "cutting edge" of our industry and feel the OTC market represents a tremendous risk management tool for producers. We are proud to bring this tool to the farm level and would enjoy exploring whether the OTC market is a suitable fit for your operation. Please feel free to call me directly at 815/284-7246 and I will be happy to answer your questions personally.