



Farmers
National
Company™

Serving America's Landowners Since 1929



Our Place in History

The year 1929 will always have a place in history as that was the year the stock market crashed, beginning an era of meager profits for the business community, difficult conditions for agriculture, and a generally precarious existence for much of the United States. At Farmers National Company, the year carries additional significance as that was when two forward-thinking businessmen saw the potential in a new idea and formed Farmers National Company.

With the help of Bruce Russell, a former Iowa county agent with a background in farming, CJ Claassen turned the idea into reality by implementing a system of farm management – accomplished efficiently and profitably – for non-resident landowners.

The depression and financial turbulence of the 1930s brought modest profits for Farmers National Company, but the company persevered, bearing out the contention that non-resident ownership of farmland could be profitable.

Today, that principle is still proving sound. Farmers National Company, an employee-owned company, continues to be the largest, fastest-growing, and most successful landowner services company in the United States, managing several thousand farms, ranches, and specialty operations across the country.

From its humble beginnings in 1929, the company has expanded both in its geographic reach as well as the diversity of services offered. With the availability of farm and ranch management, real estate sales, auctions, oil and gas management, appraisals, insurance, consultations, forest resource management, and a national hunting lease program, Farmers National Company's clients are assured of the best and most profitable management of their agricultural investment. Today, the company is able to handle all of the needs of landowners for their farm assets whether they are above or below ground.

Agriculture continues to change rapidly, and Farmers National Company continues to prepare its clients for the future. The company is proud of its history of excellent service with every client served by the company's employees and associates.



Serving America's Landowners Since 1929

The Farmers National

PROFESSIONAL FARM and RANCH MANAGEMENT

The Farmers National Company system is a comprehensive, professional farm and ranch management service for landowners. We view ownership of agricultural land as a business and the farm or ranch as an important investment in each client's overall portfolio. We help our clients achieve their goals by designing a plan that will control costs, improve income, and provide greater peace of mind knowing that the farm asset is being well managed.

Our service begins with you, the client, with a discussion to determine your goals as well as specific short- and long-term objectives and other considerations. As a landowner, you may identify some or all of the following goals as important in your overall plan for your property and its management:



- More control of the farm or ranch
- Improved crop or livestock marketing
- Better knowledge of government farm programs
- Increased income
- Asset conservation
- Property development
- Consistent communication
- Cost control through budgeting
- Accurate financial reporting
- Management continuity for the next generation
- Determine fair lease terms and rentals
- Soil and water stewardship
- Utilize sustainable agricultural practices

Based on your specific goals, Farmers National Company will handle all day-to-day operations on your farm or ranch, including all government farm program compliance, while keeping you informed about changes in agriculture and the impacts on your operation. Throughout your association with Farmers National Company, we will keep the lines of communication open.

Company System



Resource Evaluation

After an assessment of your goals, your local professional farm manager will complete a thorough analysis and inventory of available resources on your property, from soil types to buildings. The manager will also prepare a lease analysis and perform other evaluations to provide recommendations about operations to achieve your goals.

Working with the Operator

Because a good relationship with your farm operator is essential to the success of your farm or ranch – and the success of the Farmers National Company system – your manager and operator will work closely throughout the year. At the start of every crop year on any share lease or custom-operated farm, your farm manager will develop a farm plan and an operating budget with your operator. This is a key step to cost control and maximizing income. The plan, as well as any significant changes considered necessary during the year, will be submitted for your approval. On cash rented farms, your farm manager will review the crop plan and negotiate a fair cash rent lease each year by analyzing the local cash rent market.

Farmers National Company System

Timely Field Reports

Your professional farm manager will provide you with various reports throughout the year. The Planning and Analysis Report, prepared each year on all farms where the owner has a share of the crop, includes a plat map of your farm and field-by-field crop acreages. In-season regular reports are made after each property inspection, and supplemental reports are sent as required for special projects and approvals. Soil test results are also reviewed to maintain the soil's fertility. To ensure that the farm plan is being followed and that the farm is being well managed, your farm manager is on the farm as often as necessary.

Harvest results are reported to you as soon as they are tabulated. At the end of the crop year, you will receive a complete analysis of the farm's performance for the season, including enterprise analysis and a year-end investment analysis.

Profitable Crop Marketing

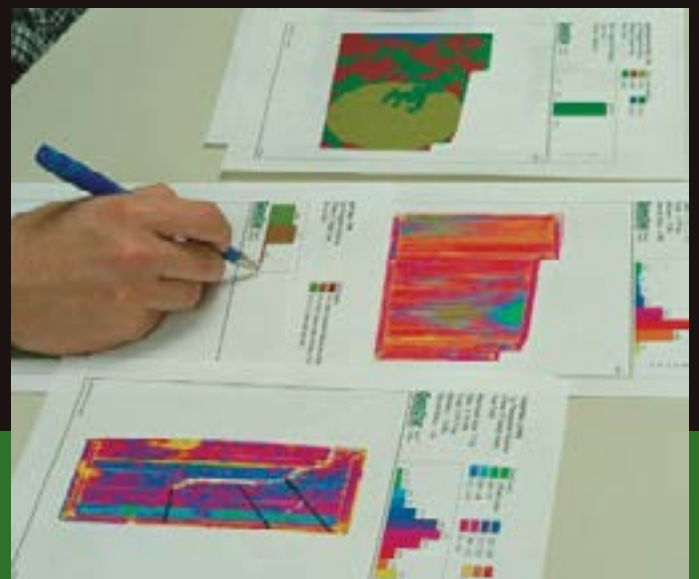
We recognize the need for a sound grain marketing program with our farm management services. The prices received for grain production determine the level of profitability in your farming operation. Our commodity marketing specialist analyzes daily market information, new market opportunities, insurance considerations, and current government farm programs to provide direction for marketing client grain throughout the crop year. Our grain marketing specialist also keeps farm managers and clients informed about the factors affecting grain price movement, both short-term and long-term, throughout the year.

Our marketing specialist and farm managers are involved in tailoring our commodity marketing program to fit each farm. Since clients have different comfort levels in using marketing tools, each farm is handled individually. We establish a marketing program designed to meet each client's needs.

Since fundamental market factors constantly change throughout the year, we recognize the risk that would be associated with trying to sell the crop at the highest price of the marketing year. To reduce the concern of missing the high price for the year, we set goals to price grain in the upper one-third of expected price ranges throughout the year, selling in several increments to get a good overall average price for the crop.

We provide pricing objectives to our farm managers throughout the year through text message, email, and our system network to keep them updated.

All grain marketing services are discussed with clients in advance and implemented only with written authorization.





Farmers National Company uses the following primary methods of grain pricing during the marketing year:

Cash Forward Pricing - takes advantage of favorable market prices throughout the year, pricing grain for delivery in the future. This includes pricing grain prior to harvest and after harvest for sale and settlement in the future. We typically price over 60 percent of a crop through forward pricing contracts.

Cash Sales - the contracted sale of a specified quantity of harvested grain to a specific elevator at a set price for settlement on a particular day. This method could be used to sell crops at harvest or crops in storage.

Option Contracts - available before or after harvest. This method of sale establishes a floor or a ceiling on the price you will receive for your grain. You pay a premium for the opportunity to benefit if prices move to the target levels during a specified time frame. Your exposure in the market is limited to the premium you pay for this price protection.

Hedge Positions - we can facilitate contracts through licensed brokers for clients interested in taking a futures position.

Farmers National Company System

FINANCIAL REPORTING SERVICES

The staff at Farmers National Company help you manage your property's finances. Your professional farm manager works closely with a farm accountant to maintain your account, including reviewing and paying bills and depositing funds. They also prepare reports on your property's financial performance that are useful for various purposes, including tax preparation.



With Farmers National Company, you can expect the following financial services:

Reporting

- All cash transactions are posted to your account
- Periodic transaction and cash position statements
- Financial reports on multiple-owned properties with separate percentage ownership shown
- Annual summaries of income, expenses, and cash flow

Cash Management Options

- Interest-bearing account: funds held on account earn interest at competitive rates. The funds are used to pay your share of expenses and are available on demand.
- Funds advance account: expenses are charged to your account and the amount due is remitted monthly. Any revenues collected will be applied to any amount due and remitted monthly.
- Cash rent assurance: cash rent on time, every time.



CARE AND CONSERVATION OF THE LAND AND THE ENVIRONMENT

Farmers National Company understands the benefits of soil and water conservation as well as a clean environment and expects responsible soil stewardship on every managed farm or ranch. The company encourages practices that minimize soil erosion, such as terracing, rotation, contouring, cover crop, and reduced tillage farming practices, which in turn improve productivity in both the short and long terms. Leaving the land in better condition than when we started through sustainable agricultural practices is our goal.

The professional farm managers at Farmers National Company participate in a company-wide competition to recognize improvements in soil and water conservation on a specific farm, working in conjunction with a farmland owner. The winners of the competition (the farm managers and the farm owners) receive the **Wes Furrer Conservation Award**.



Real Estate Sales

Since 1929, Farmers National Company has helped individuals, corporations, trusts, partnerships, non-profit organizations, and many other landowners sell, acquire, and trade agricultural land. The company has earned the reputation as a national leader in the farm and ranch real estate business.

Recognizing that each farm or ranch is as unique as the landowner, Farmers National Company's real estate professionals work with you to sell your property in the most appropriate way. With this customized approach to marketing your land, you are assured a successful, well-informed, and timely sale at the best possible price.

In addition to our nationally-recognized sales and auction services, Farmers National Company is a leader in providing services to investors looking to acquire property or to add to their portfolio.

When you list your property with Farmers National Company, we will:

- Identify your goals and objectives as well as a timeline for completion of the sale.
- Complete a market analysis to determine a projected selling price.
- Recommend the best method of sale for your property, auction or private treaty, to meet your objectives.
- Tailor the promotional program specifically to your property to maximize exposure to the largest number of potential buyers.
- Fully expose your property to the market through personal contacts, newspapers, trade journals, mailings to investors, email blasts, social media, the Farmers National Company website, as well as links on other major national real estate websites.
- Post signs on the property, develop an attractive sales brochure and direct mail piece and distribute throughout the area to inform potential buyers.
- Keep you informed of all activity through regular communication.
- Offer full-color mapping including aerial imagery, soil information, and virtual tours.

In addition to this personalized service, the benefits of listing your farm or ranch with Farmers National Company include:

- A national network of over 200 real estate professionals, including our professional farm managers with access to many more potential buyers
- A list of potential buyers wanting to purchase farm and ranch land as well as an on-staff investor relations coordinator exposing potential land investors to your property
- Extensive exposure through the Farmers National Company website and social media to promote your land
- An experienced professional auction marketing team to maximize your auction results hosting nearly 200 auctions each year from single tracts to multi parcels
- Experience with tax-deferred exchanges to help buyers and sellers accomplish tax goals
- Represents your best interest to get the closing completed and the proceeds into your hands
- A reputation of working hard to represent you, our client
- Strong support staff to help agents successfully sell and close

Our goal is to assist you in marketing your valuable asset for the best price possible!

Auctioneer calls for bids



Your Local Broker

Our agents live and work in communities throughout our service area. They are members of the local Chambers of Commerce, service clubs, school boards, etc. We offer you the unique advantage of working with a local community real estate professional who knows and understands the area market - an agent who has the backing of a broad network of real estate professionals with a proven track record.

Risk Management

RISK MANAGEMENT INSURANCE

The independent insurance agency at Farmers National Company provides a unique advantage to our managed farm clients and other insurance agency customers. Our experienced staff consider the goals of our clients as they look for the best way to transfer risk from our clients to an insurance company. As an independent agency, we search for products that offer the best coverage for our clients at a reasonable premium.

Integrated Risk Management - Our overall strategy is to tie the risk needs of a landowner or farm operator, including the farm program, commodity price, crop production risks, etc., into a full-fledged risk management program.

There are various crop insurance products available that allow us to help our clients develop a sound risk management strategy tailored to their own specific needs. Yield and revenue based crop insurance plans as well as crop hail insurance are products used by our agency that are tailored to meet the needs of your commodity marketing program.

Farm Property and Liability - We have specially designed policies that are competitively priced and provide comprehensive coverage.



Farmers National Company also provides insurance coverage to farm operators as well as non-resident landowners via our outside sales force of licensed farm managers and in-house insurance professionals. With a combination of experienced insurance agents and a broad mix of insurance company contracts, we can find the best rates and coverage available in the industry for operators and landowners alike.

Insurance Service Center - The FNC Insurance Service Center provides marketing and processing services to other independent agencies throughout the Midwest. If you would like help with increasing your crop insurance business or assistance with complicated paperwork, our service center can tailor a service package to meet your needs.

RISK MANAGEMENT – COMMODITY MARKETING

Our commodity marketing program is available on non-managed farms as a separate service for a fee. The **Commodity Marketing Service Package** includes a menu of specific services to address the fundamental and technical factors in the market that affect grain prices. The **Tailored Management Option** includes market information and access to a toll-free number for phone visits with our commodity marketing specialist. The **Complete Grain Marketing Program** includes the services offered above plus the discipline needed to make the sales at short-term market peaks. Pre-harvest sales are protected through our insurance risk programs. Experience shows us that a well-constructed marketing program that provides the discipline to make sales is the first step to a profitable farm operation.





Appraisal Services

When the value of a farm, ranch, or agribusiness is questioned, a good appraisal can provide the answer. Professional appraisals serve as valuable reference tools for a number of purposes, including:

- Loan and trust documentation
- Sale or tax-deferred exchange
- Estates or estate planning
- Division or partitioning
- Business reorganization
- Litigation
- Condemnation
- Investment analysis
- Property settlements
- Special use valuation
- Charitable giving

Farmers National Company has experienced, state-certified appraisers, all of whom follow the Uniform Standards approved by the Appraisal Foundation, who can provide either narrative or form appraisals.





Consulting

Farmers National Company offers comprehensive consultation services, including record keeping, comprehensive farm analysis, lease analysis, financial analysis, commodity marketing, and a variety of additional services designed to help landowners improve the profitability of their farm or ranch operations.



Oil and Gas Management

Farmers National Company is the largest independent mineral management firm in the country with a focus on quality customer service. Our professional staff have years of fiduciary oil and gas management experience with specific knowledge in the management of:

- Royalty interests
- Working interests
- Non-producing interests
- Coal and hard mineral interests



OUR SERVICES

The oil and gas management services offered by Farmers National Company are designed to meet the needs of our clients. Because our services are comprehensive in nature, we begin by helping our clients determine their objectives and level of personal involvement. Once their goals are identified, we develop a plan to achieve them.

A summary of our services include:

Complete Oil and Gas Accounting

- Process revenue checks
- Internet access to reports
- Ad valorem tax payments
- Provide annual income tax reports
- Joint interest billing review and payment
- Monitoring delay rental and shut-in payments

Complete Administrative Services

- Annual review of properties
- Lease offer valuation and negotiation
- Division order analysis and processing
- Engineering valuation of well proposals
- Deed preparation and property valuations
- Research for suspended and escheated funds

You can depend on Farmers National Company to provide not only the expertise but also the prompt customer service that you expect. Our oil and gas services can be initiated through the use of a simple agency agreement tailored to fit your needs.

Forest Resource Management

Farmers National Company Forest Resource Management provides a variety of services for landowners, including:

- Reforestation
- Complete management plans
- Timber cruising
- Timber marketing
- Appraising all types of timber
- Buying and selling timberland

Our services help these timberlands become as productive as possible in the area of pine and hardwood timber, thereby giving you the greatest return on your investment as well as helping keep your timberland tax exemption valid and in force.

We manage tracts ranging in size from 10 to 8,000 acres and supervise the reforestation of harvested or unproductive forestland. Our staff consists of full-time degreed foresters, and full-time forest technicians.

We are experienced in court testimony as an expert witnesses as well as in unlitigated problem resolution. We are members of Texas Forestry Association, Society of American Foresters, Tree Farm System of America, and Consulting Foresters of America.

Lake Management

We provide premier lake and private fishery management. Our fishery biologists are available to assist you with managing your "liquid assets." We offer:

- Species inventory and population sampling via electrofishing
- A complete water quality and lake management program
- Long-term fishery management plans
- Materials and equipment for lake quality management
- Land and lake mapping information





National Hunting Leases

The Hunting Lease Network connects landowners and sportsmen across the country. It is our goal to set up and manage quality hunting leases in trophy hunting areas. With the higher cost of land ownership, many property owners use our program to increase their income, add protection against trespassers, and have the proper hunting liability insurance in place before anyone hunts on their property.

- Competitive bidding allows for a true market value of your property.
- We market your property, negotiate the lease, and collect all payments.
- You maintain control of your property by having rules set in place.
- Hunting leases aid in eliminating trespassing and poaching.
- \$2,000,000 in hunting liability coverage provided to you.

Our team of hunting specialists is made up of avid outdoorsmen from across the United States who understand good hunting leases. We look forward to meeting with you and discussing how a properly set up hunting lease can benefit you and your property.

www.HuntingLeaseNetwork.com

FNC Ag Stock

FNC Ag Stock LLC offers secondary market trading for securities issued by agricultural cooperatives and agricultural companies taxed as partnerships.

Whether buying or selling, we specialize in agricultural stocks that are non-exchange listed, such as ethanol investments. You can count on the trusted services from FNC Ag Stock LLC, your clearinghouse for ag securities.

www.FNCAgStock.com



FNC Serecon

The FNC Serecon joint venture in Canada brings an exciting new chapter to Farmers National Company as the company's first international expansion. Through partnership with the well established agricultural service company Serecon in Edmonton and Calgary, the new venture is uniquely suited to deliver the same suite of landowner services to Canadian families that has been the mainstay of Farmers National Company since 1929.

Initially, services will be offered in Alberta and eventually expand to the surrounding provinces. The primary day-to-day focus of the joint venture will be farm management and real estate brokerage. Much like the United States, the demographics of landownership are changing in Canada as the next generation inherits the family farm. For many, they have little day-to-day knowledge of how to manage an ongoing farm business. Professional farm management services will allow for ongoing ownership of the land creating a land legacy through the generations.

FNC Serecon is in a position to help sell or buy additional land for you.

www.FNCSerecon.com



Farmers National Service Area



★ Home Office
Omaha, Nebraska

- More than 100 Farm and Ranch Management Field Offices Nationwide
- More than 200 Real Estate Sales Agents



Indicates states we currently have Hunting Lease Network Properties



Indicates states served in Oil and Gas Property Management

■ Indicates states served in farm and ranch management, real estate sales, auctions, and/or other related services



If you would like to learn more about what the Farmers National Company System can do for you or to locate our field office nearest to your farm, please call toll free **1-800-346-2650** or visit us at **www.FarmersNational.com**.



**Real Estate Sales • Auctions • Farm and Ranch Management • Appraisals • Insurance • Consultations
Oil and Gas Management • Lake Management • Forest Resource Management • National Hunting Leases • FNC Ag Stock**

OUR PEOPLE AND OUR CLIENTS

Our greatest company asset is our people. With the average tenure of our senior field staff at nearly 15 years, you can be assured that you will receive a professional level of service when you work with Farmers National Company. You can also count on the knowledgeable, long-term support staff at our offices.

We are very proud of the long-term relationships that we have developed with our clients. As a company, we have more than 1,300 clients who have been with Farmers National Company for 25 years or longer, and 50 years or longer with another 400 farm management clients. Our clients tell their friends why they value Farmers National Company. Nearly 50% of our clients first heard about us from their friends or relatives! We would be pleased to provide you with specific client references.

Our Vision...

Providing solutions through premier services to enhance the enjoyment and profitability of America's landowners, one client at a time, since 1929

Our Core Values...

- Integrity and Honesty
- Trustworthy
- Outstanding Service
- Work Ethic
- Excellence

Home Office

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