



Noland Farms, Inc.

Blue Mound, IL

2014 Volume 3



Record 2014 season

Greetings from our family at Noland Farms! We hope the holiday season allowed you opportunity to spend time with family and friends.

Reflecting over the past year, our family has been fortunate to experience good health and many blessings. Professionally, the 2014 farming season was truly one for the record books! Why? Record yields of soybeans and corn.

One unique aspect of production agriculture is the “clean slate” each year allows for growing higher yielding crops...the successes and failures of the past can change in just one season (similar mindset of a Cubs’ fan).

Although the drought of 2012 is still fresh in our minds, we were fortunate to experience tremendous production in 2014 due to favorable weather. We implement agronomic and operational adjustments aimed at improving our efficiency and productivity, yet favorable weather conditions ultimately must arrive in vital windows for all to come together.

We’ve turned our focus to the upcoming 2015 season, and are excited for the continued growth of our business through new partnerships with landowners in Macon and Christian counties.



Our exploratory campaign led us to the concept of using grain bags as temporary corn storage.



New grain bags a success

As the growing season progressed, we anxiously watched the corn and soybean crops receive month after month of beneficial growing conditions. Throughout the key developmental stages of the hot summer months, cooler than normal temperatures and timely rainfall allowed for plant stress to be drastically minimized... near nonexistent.

As we continued to scout fields for plant stands and evaluate ears on stalks...we had a feeling this year's production could be special! The marketplace suspected this year had record-breaking potential too. Commodity prices quickly plummeted as analysts and traders began penciling expected production numbers into their balance sheets. Armed with data from our scouting reports and following market indicators, we explored options to logistically handle the crop as efficiently as possible.

Our exploratory campaign led us to the concept of using grain bags as temporary corn storage. The practice of grain bagging is widespread in nearly every grain producing region of the globe except the United States.

We purchased the equipment necessary for loading and unloading bags... placed an order for the white, plastic storage bags... and prayed that we would have the grain to fill them!

The specialized equipment attaches to a tractor, which provides the power source for an auger that fills the bags. Each plastic bag is 10 feet wide by 300 feet long, holds

12-13,000 bushels and is not reusable.

The tractor placed in neutral and is slowly propelled forward as the grain is augured in to the bag. Loading the bags with grain can be done with grain carts or semis, which provides logistical efficiency for harvest operations. The bagging locations we chose were centralized within our home base for management and security purposes.

Entering harvest, we had concerns that high yields would create a logistical logjam at commercial facilities, and we would be subject to delays. Besides logistics, we identified many financial benefits to grain bags. In years where grain supplies are bountiful at harvest, the market price will typically fall during that time period. The commodity price will be higher in the future or deferred months, which encourages those with grain to store or keep grain from entering the market.

Over the past few years, the market both encouraged and discouraged the use of storage. The ability to store bushels in bags required less of a financial commitment than permanent grain bins, and provided the flexibility to meet 100% of our needs. As we look towards future harvests, we anticipate that the bagging approach will provide a valuable tool in our marketing and logistical plans.

An additional, yet much smaller, operational "tweak" was applied to the transporting of equipment between fields during harvest. As equipment continues to grow larger, the process of moving safely from

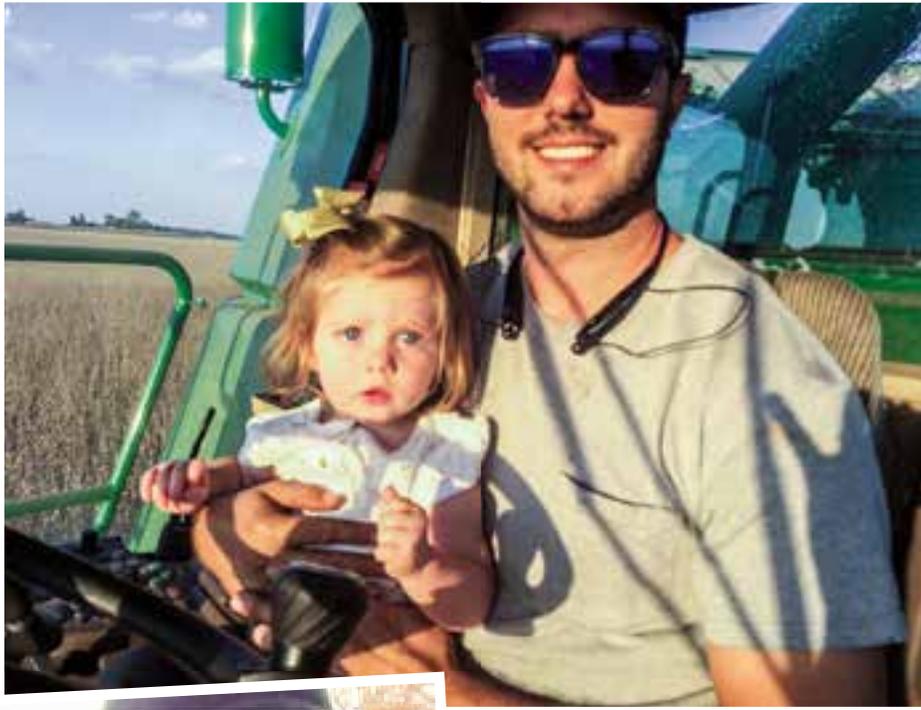
field to field on roadways is always on our mind... and a stressful activity for us and other motorists.

The state of Illinois averages around 200 collisions a year involving farm equipment on public roads, and most occur mid-to-late day. The corn and soybean heads that attach to the front of the combine must be removed and placed on a trailer for transportation due to their width, which ranges from 30 to 40 feet. In past years, an individual has pulled the head trailer with a pickup truck.

In an effort to better utilize labor and equipment, we added a hitch to the back of the combine. The hitch is mounted to the axel on the driver's side and extends five feet to clear the rear of the machine. The dividends of this simple change were realized while operating two combines during our soybean harvest. The labor associated with field transport was reallocated to another focus. The reduction of additional slow-moving vehicles in our group allows motorists fewer obstructions to meet on public roadways.



We enjoy the opportunity to expose our youngest generation, Hudson and Elizabeth, to agriculture at a young age.



Next generation

On a lighter note, we enjoy the opportunity to expose our youngest generation, Hudson and Elizabeth, to agriculture at a young age. Connecting the origination point to the food on their plate is an important concept.

Our family exited the livestock industry in the 1980's, but 2014 marked our re-entry in grand fashion...turkeys and chickens! The twelve chickens and fourteen turkeys have been quite entertaining for all ages, but the kids enjoy them most. For Thanksgiving eight of the turkeys were processed in Arthur, Illinois, and served at our family's Thanksgiving dinner. Although the kids realize the flock is smaller, we've not yet connected those dots... always a fun time on the farm!



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Aerial view of grain bags

Farmland Investment

The current farmland market has provided exciting opportunities for those with current land holdings and individuals interested in purchasing a farm. We are excited to discuss investment opportunities!

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