

Brennan Turner

Founder / President / CEO

 **FARMLEAD**

GRAIN MARKETING (& OTHER THOUGHTS)

Quick Bio – Brennan Turner

- ▶ Founder/President/CEO of FarmLead.com
- ▶ Family's Saskatchewan farm roots date back to early 1900s
- ▶ Notre Dame Hound (2005)
- ▶ Yale University – B.A. Economics (2009)
- ▶ Wall Street commodity/equity analyst
- ▶ Board Director of the Mandi Schwartz Foundation
- ▶ 250+ professional hockey games (2011 Calder Cup Champs!)
- ▶ CALL | EMAIL | TWEET!
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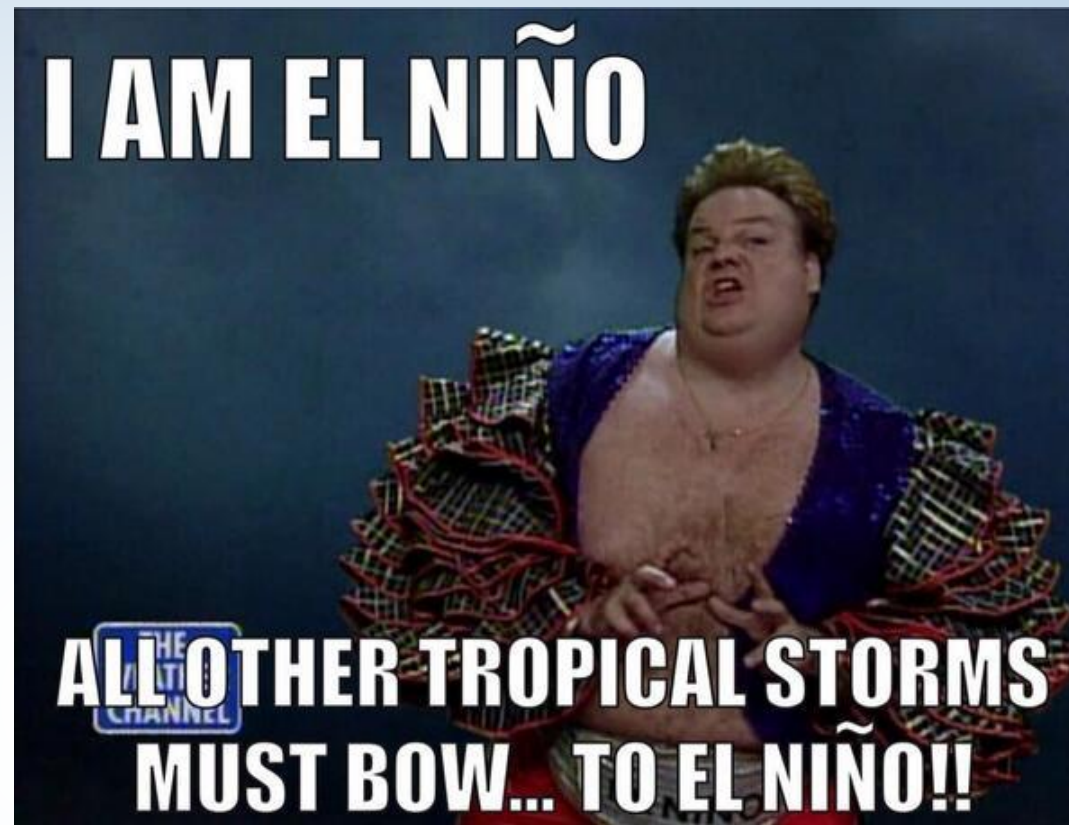
What just happened?

Since #Harvest15 We've Seen...



- Big crops everywhere
- Oil prices bottoming
- Strong US dollar!!!
 - Lower CDN Loonie masking lower grain prices
- China sucks
- Low prices cure low prices?
 - (But when?)

#ElNino vs #LaNina?



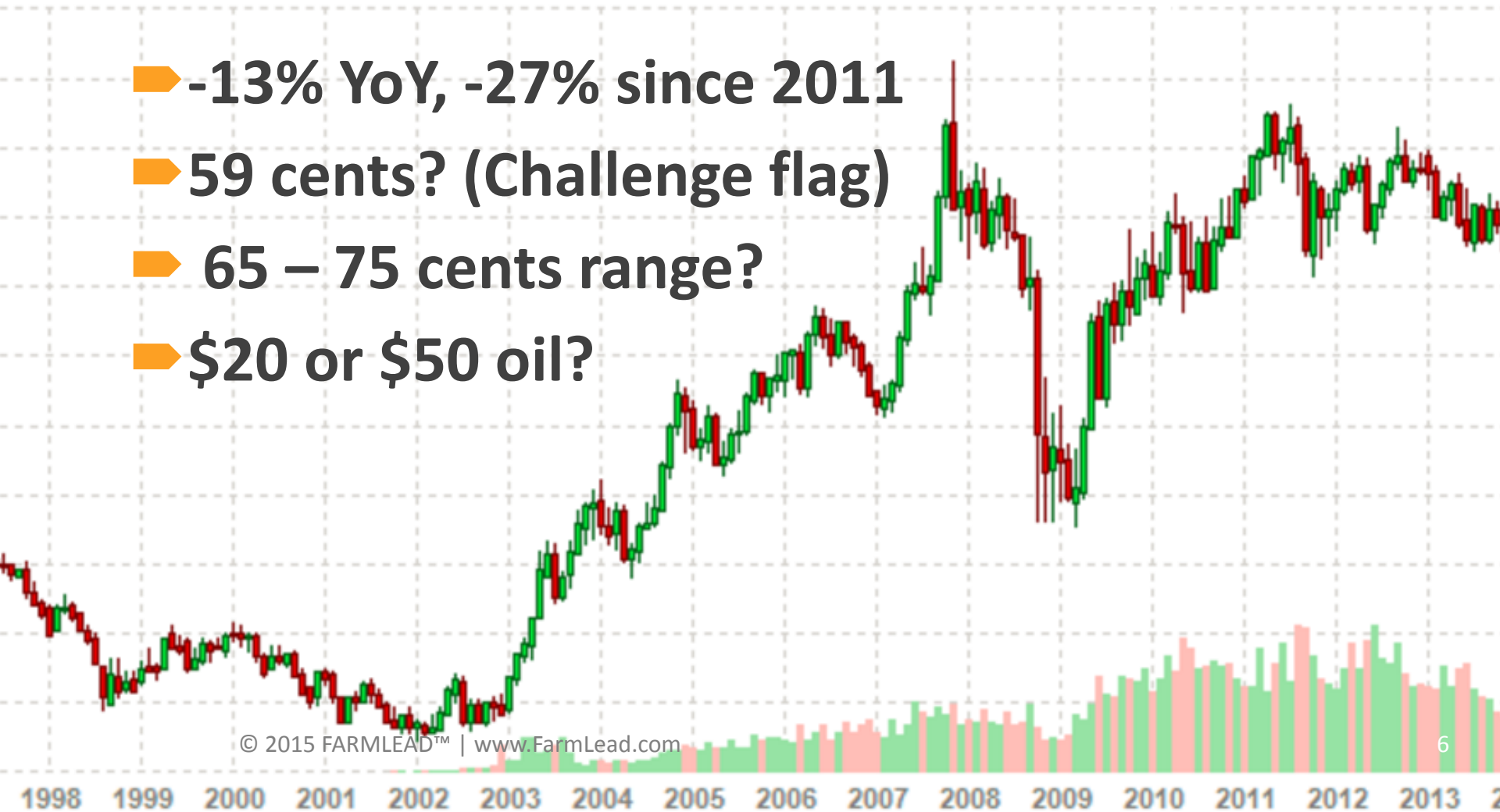
- Milder winter here / Great South American Wx
- Biggest effect in oilseeds & soft ags
 - Poor Indian 2015/16 pulse crop again (back to back!)
- La Nina likely felt in 4Q2016 / 1Q2017

Canadian Loonie / Currency Market

2016 04:04 AM

CANADIAN LOONIE HAS GONE L

- -13% YoY, -27% since 2011
- 59 cents? (Challenge flag)
- 65 – 75 cents range?
- \$20 or \$50 oil?



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► **Soil moisture questions in Black Sea, North America, & Australia**

Oilseed crush volume in EU, 2013-2016



Data source: Fediol

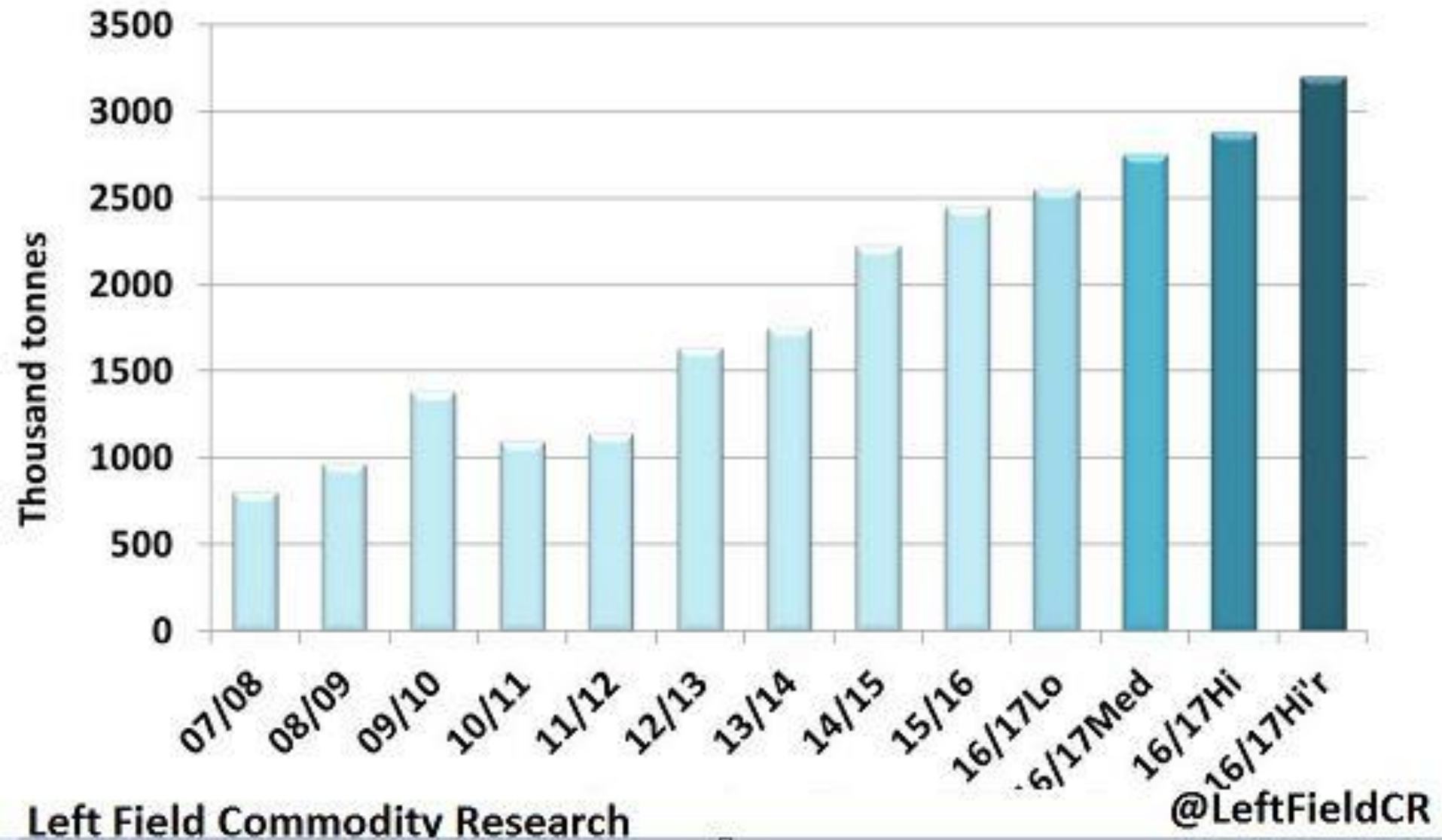
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You Grow 'Em, We'll Ship 'Em

Canadian Lentil Exports





クニミツガフョー

IMPOSSIBRU!!!

Two Types of Market Players

➤ Risk Managers



➤ Speculators



Market Emotions Cycle Graph of how we feel as the markets fluctuate



Point of Maximum Financial Risk

Euphoria

\$11.00

Anxiety

Denial

\$10.70

Fear

Desperation

\$9.99

Panic

Capitulation

Despondency

Depression

Inverse relationship come July if conditions are dry ("Who cares about marketing!?!?!")

Point of Maximum Financial Opportunity

☺ "Wow, am I smart."

😬 "Temporary set back - I'm a long-term investor" ~~Investor~~ Speculator

😞 "How could I have been so wrong?"

What's the Marketing Strategy? (1/3)

- ▶ Global supply reining bulls in
 - ▶ Know COP! Bottom line comes after the top line!
 - ▶ Education critical; many factors out there
 - ▶ FarmLead Breakfast Brief (*shameless plug*)




An investment in knowledge pays the best interest.

(Benjamin Franklin)

Be Better!

(2/3)

- ▶ Scale/block selling (vs loss aversion)
- ▶ Expand the option pool
- ▶ 100s of verified buyers on...
- ▶ “Buy the rumour, sell the fact”

**“Whether or not you can
never become great at
something, you can always
become better at it ”
Neil deGrasse Tyson**

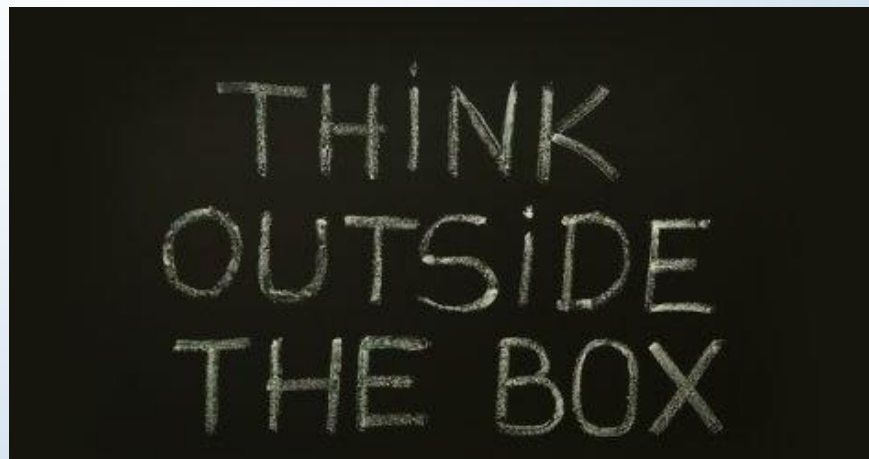
Grain Marketing Math 101: Managing Risk vs Speculating



New Realities

(3/3)

- Realities of cyclical markets (10 yr avgs)
- Mother Nature = toughest variable!
- Low prices = new norms til supply worked through (2 years needed?)
- Even w/ Wx hiccup, still a lot of supply for row crops



Return per acre comparisons - ranking crops

Mercantile Consulting Venture Inc. @mboersch


Margin per crop per acre over Total Costs, P2016
(on deferred futures & cash values)



2016/17 Targets

Spread Out Your Price Risk Exposure

Grain	Targets	Today	Sept-Jan	Feb-July
Durum (#2)	\$7.50 - \$8.50	20 – 30%	40 – 60%	70 – 100%
HRS (#2)	\$6.50 - \$7.00	15 – 30%	50 – 70%	75 – 100%
Canola	\$10.50 - \$11.50	15 – 20%	30 – 50%	70 – 100%
Yellow Peas	\$9.50 – \$12.00	40% (AOG)	50 – 70%	80 – 100%
Green Peas	\$9.25 - \$10.00	10-15% (AOG)	30 – 50%	60 – 90%
SMR Lentils	\$0.36 - \$0.48	40% (AOG)	50 – 90%	90 – 100%
LG Lentils	\$0.38 - \$0.52	40% (AOG)	50 – 75%	75 – 100%
Malt Barley	\$5.85 - \$6.50	25 – 40%	60 – 80%	80 – 100%
Oats (#2)	\$2.50 - \$3.00	20 – 30%	40 – 70%	80 – 90%
Feed Cereals	N/A	10 – 20%	40 – 75%	60 – 100%



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QUESTIONS?

▶ Hit me

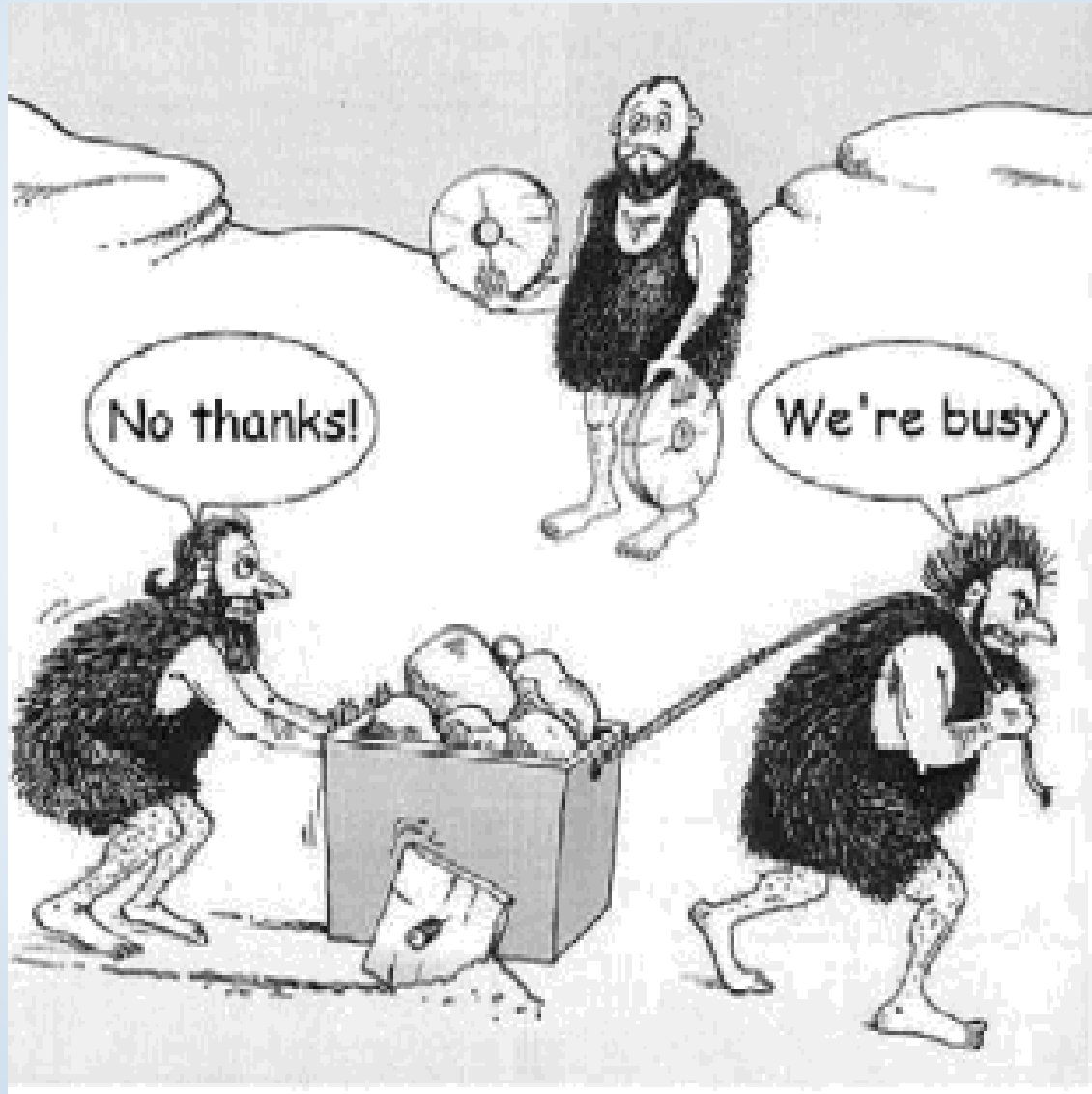


What is FarmLead?

“FarmLead is a negotiation-based online and mobile marketplace for the physical cash grain market. We empower farmers and buyers alike to efficiently expand their grain buying and selling options and achieve better deal outcomes.”



Change can be scary!



The problem with crop marketing

- ▶ Archaic and inefficient communication
- ▶ Lack of market information
- ▶ Biased negotiations
- ▶ Concerns around payment and grain quality



Frustration and desire to improve process, but no efficient tool!

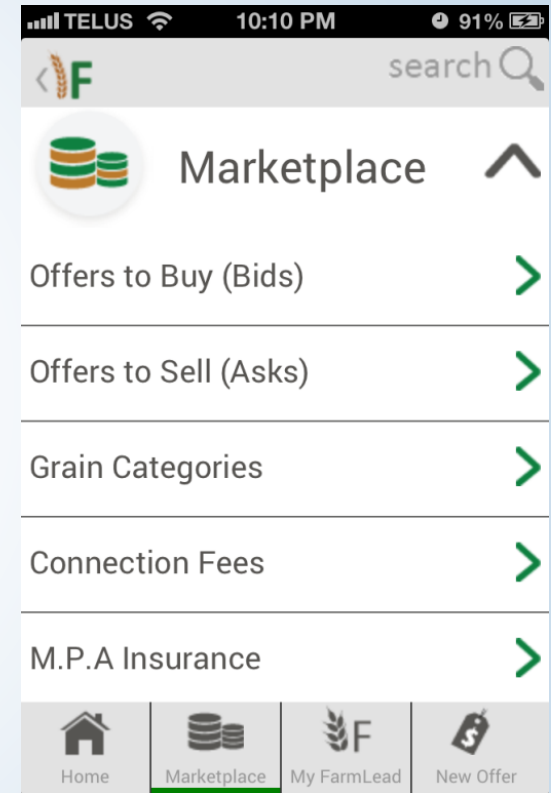
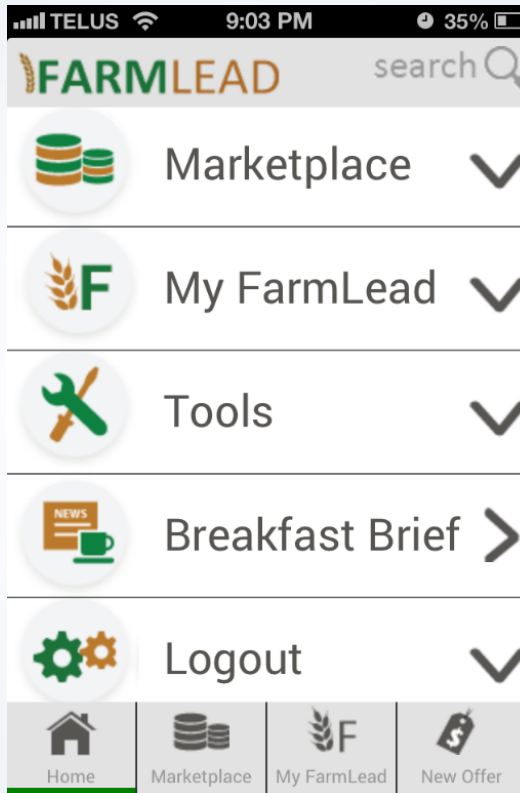
How FarmLead solves this

- ▶ Anytime, anywhere marketplace
- ▶ Strict buyer accreditation
- ▶ Buyer and seller ratings
- ▶ Asks, bids seamlessly “brought” to interested parties
- ▶ Direct but anonymous negotiations on key deal terms

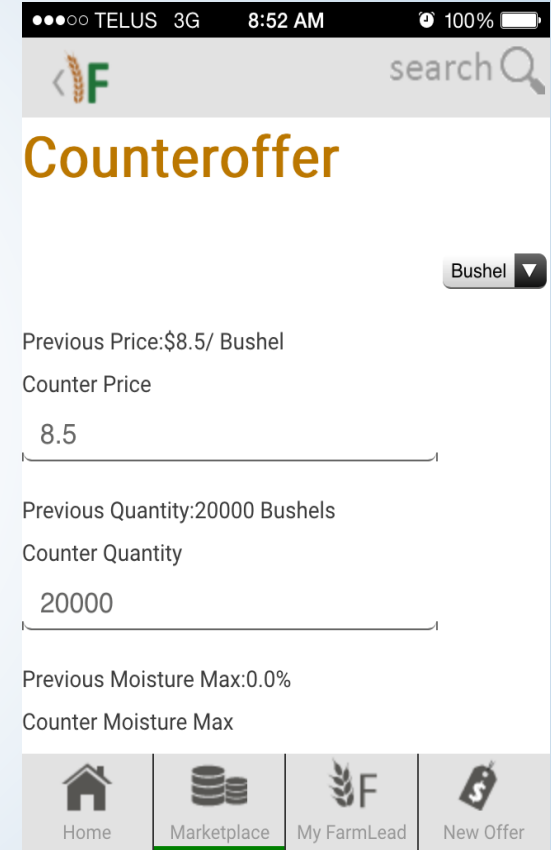
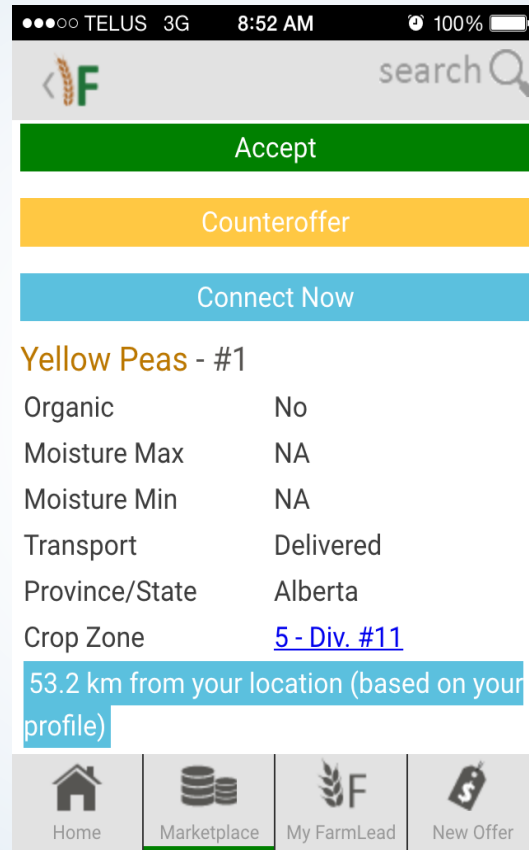
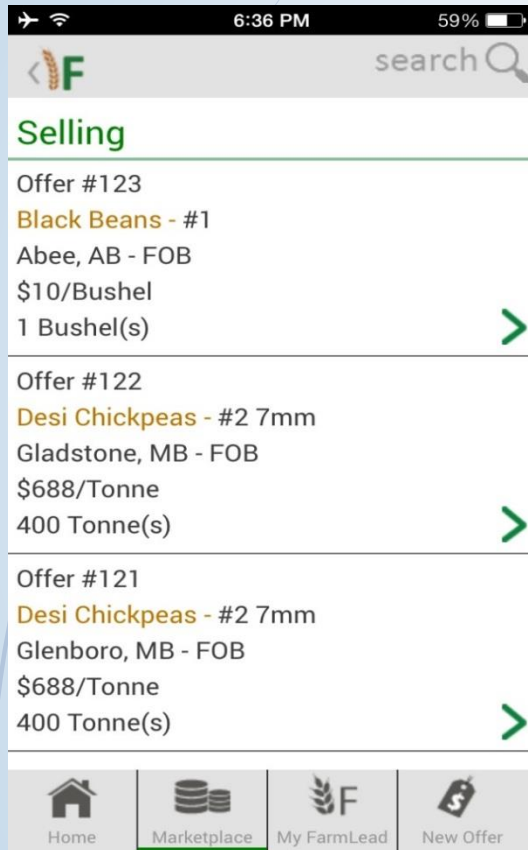


Free to post, free to negotiate

Online and mobile interface...



...with direct negotiation



Why farmers and buyers use FarmLead

Farmers

- **More flexibility**
 - Post & close on field, on vacation, at trade show, etc.
- **More buyer options**
 - Move beyond “usual circle”
 - Specialty crops, lower grades
 - Less trucking
- **Better prices**
 - Unbiased negotiation
- **Better documentation**
 - Deal clearly documented

Buyers

- **Get the grain they need**
 - Spot needs e.g. railcars
 - Specific grains & qualities
- **Direct engagement**
 - Close deals faster
 - Avoid middlemen
 - Contract execution
- **Level playing field**
 - Smaller buyers can also access more farmers
 - Compete equally on price and trade terms

Traction?



- ▶ FarmLead operational ~2.5 years
- ▶ ~4,000 farms & ~18M acres registered
- ▶ +90% of CGC-bonded list of companies
- ▶ +170,000 MT of grain traded
 - ▶ 140,000 MT in last 15 months
 - ▶ 1/3 feed grains, 1/3 pulses, 1/3 #1s & #2s
- ▶ 2 ppl in May 2015, 11 ppl today!

QUESTIONS?

▶ Let's try that again





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