



FARM MANAGEMENT * AGRICULTURAL REAL ESTATE

Owner: XLT Farms

Tenant: Joe Farmer

Location: Catahoula & Concordia
Parishes, LA

Acres: 2949

Attention: Board Members

Date: July 12, 2011

Crop Report

2011 CROPS

There are 302 acres of cotton planted on the farm. There were 240 acres planted on April 15th and 16th on six of the leveled fields. The additional 62 acres was planted in early June after wheat harvest on the eastern side of the farm. The cotton on the leveled fields is really coming along nicely. Most of that has been watered at least one time. I need to take another look at the double crop cotton this week to see if it's coming out to an even stand. I forgot to go to that part of the farm when I was there on July 5th. It has all had a few rains and so it may be coming along as well.

There are 1,040 acres of soybeans planted on the farm. The soybean planting started on April 5th and finished up around April 17th. All of the soybeans are full season soybeans. Although there was some double crop cotton planted on a sandier area after wheat harvest, we didn't think it would be productive to plant any of the areas with clay soil in double crop soybeans this year. The soybeans on the north and mid-section of the farm look great. The soybeans on the southern end of the farm where we had salt problems look okay but some parts of those fields are still struggling. I've included pictures of the soybeans on the northeastern corner of the farm where we had some of the major salt problems on the sandier soil. You will see from the pictures that those beans are in good shape. I will include some pictures of the soybeans on the southern end with the next report.

CROP MARKETING

Joe and I talk about marketing on a regular basis. This year he has sold 200 bales of cotton at \$1.15 per pound and 200 bales at \$1.04 per pound. In addition, he has booked 30,000 bushels of soybeans for the farm at \$14.00 per bushel. I probably would not have been this aggressive on your share if I was marketing it individually until we were closer to harvest, but since all of the contracts are in his name, we don't have any risk if the contracts are not filled.

CROP IRRIGATION

The farmers have been able to use three of the irrigation wells on the northwestern part of the farm and the pump in the bayou for the eastern part of the farm. They are testing the water from these sources daily and have agreed to shut off any of the wells if they reach 500 parts per million of salt content. The other wells on the farm were tested and found to be above that threshold.

2011 WHEAT CROP

There were 736.2 acres of wheat on the farm this year. The crop yielded a total of 43,427 bushels, or 59 bushels per acre. The landowners' 20% share of the crop was 8,685.4 bushels. The crop was sold for \$66,035.76 for an average sale price of \$7.60 per bushel. The wheat income averaged \$89.70 per acre.

FARM SERVICE AGENCY, CROP INSURANCE

The contracts were all signed at the Farm Service Agency earlier in the spring. The crop insurance acreage reporting has been completed.

FARM HOUSE

We tried to lease the farm house earlier this year to a family member, but that lasted less than two months. John and Jay would like to use the house for a farm office. They plan to start using the house on August 1st. I told them to work up a list of what they want to repair and then we will negotiate a monthly or annual rental rate.

GRAIN BINS

I don't think there will ever be at time in the future that we will use the two small grain bins on the farm. I recommend that we go ahead and take those bins down and get them removed from the property. I suspect that I can get somebody to remove them in exchange for the scrap metal. Please let me know your thoughts on this matter.

RICE LITIGATION

Joe Farmer had a \$50,000.00 lawsuit against their neighbor for the roundup damage on the rice on the south end of the farm last year. The lawsuit was settled earlier this spring for \$35,000.00. Payment was expected on June 1st. No payment has been received to date and Joe Farmer plans to have their attorney pursue it more vigorously.

There is also another lawsuit involving rice on the farm. In 2005 Bayer released some rice seed into the market that contaminated the entire rice crop. There have been class action lawsuits in place ever since that

have just recently settled. XLT Farms signed up with a law firm in Monroe, LA that was handling this for many area farmers. I expect to receive \$9,000.00 to \$10,000.00, after legal fees are deducted, sometime in the next 60 to 90 days.

EQUIP

The final drainage pipe has been installed on our EQUIP contract. NRCS has inspected and approved it and the paperwork is complete. The final EQUIP payment we received was \$8,159.08.

HUNTING LEASE

The current hunting lease on the farm with John Smith expires on March 1, 2012. The rent for this year has already been paid. I am confident that he will be contacting me soon for a renewal of that lease. I am not very confident that we can get a significant increase because I think that he was paying a very good price for the hunting land. Please give it some thought and let me know if I should proceed with negotiating a lease renewal with John Smith on the Catahoula Parish land.





Land Management Group, L.L.C. strives to offer the highest level of farm management service in the industry. If there is anything you do not understand or would like to discuss further, contact me.

Steve Brunson, AFM

Accredited Farm Manager

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