



FARM MANAGEMENT * AGRICULTURAL REAL ESTATE

Farm: XYZ Farms	Tenant: Joe Farmer
Location: Lonoke Co., Arkansas	Acres: 628.0
Attention: Landowner	Date: April 24, 2008

2008 PLANNING REPORT

130 ACRES RICE

The plans are to have 130 acres of rice on XYZ this year. The rice will be planted on the north portion of farm behind the shop and the northern part of the larger fields. The extremely wet weather we've had over the last four to six weeks has all but halted any field preparations for any crops in the Mid-South. For the first time, this week Joe was able to begin working up the rice ground, however, that same day they did receive just under a half an inch of rain. I talked to Joe this morning and he felt like they could begin planting rice again today, except that they had already received an additional inch of rain. It may be another four to five more days, assuming no further rain, before we can get in and finish the rice planting.

We have not made any rice bookings on XYZ. As the commodity markets continued to rise, we held off not realizing that Riceland rice mill would shut down any forward contracting. At this point Joe and I are talking about continuing to take the rice to Riceland and put it into the members' pool, or go ahead and look at contracting with a third party rice vendor, such as Scoular grain, or some of the other brokers in the area.

135 ACRES CORN

Our plans were to once again plant Miss Ludie's field into corn. Our hope was to get the corn on early and get it off early and have time to come back in prior to duck season and complete some leveling on this field. If we had taken this tract into rice it would have been an additional year to year and a half before any land work could be completed. The land was worked up on Tuesday, which was the first time Joe was able to get into the field for corn. However, with the rain we received Tuesday afternoon, as well as an additional inch of rain today, it will be a minimum of four to five days before he can plant the corn. At this time we feel like we can plant corn up

until the first of May and after that, if the corn is not planted we will look to shifting these acres to soybeans.

Fortunately we have not booked any corn at this time. Corn is currently trading in the \$5.80 range and looks as if it will continue to move higher, given the delayed plantings, not only in the Mid-South, but across the Midwest as well. This is over \$2 a bushel higher than just a year ago when we were seeing corn trade between \$3.25 and \$3.50. I do hope we are able to get the corn planted in a timely manner and produce good yields.

125 ACRES SOYBEANS

The balance of the ground will be planted to soybeans this year. While the ground has been sprayed, it has not yet been worked up in preparation for planting and in fact, the areas first sprayed earlier in the season are now beginning to turn green again because of all of the moisture we have received. As soon as dry conditions allow, Joe will be able to get in and plant these acres very rapidly. We could see our soybean acres increase if we have to lay off any of the corn acres. I will keep you up to date as we move through the planting season.

FARM SERVICE AGENCY

You currently have two FSA farm numbers for your property: #123 and #456. Base acres and yield indexes for your farm are as follows:

Farm 123

Crops	Base Acreage	Direct Pay. Yield	CC Pay. Yield
Rice	150.5	95.15 lbs.	124.71bs.
Wheat	11.3	38 bu.	37 bu.
Soybeans	107.4	16 bu.	19 bu.

Farm 456

Crops	Base acreage	Direct Pay. Yield	CC Pay. Yield
Rice	69.1	102.46 lbs.	132.44 lbs
Wheat	7.5	39 bu.	37 bu.
Soybeans	57.3 bu.	16 bu.	19 bu.

Unfortunately, we do not have a Farm Bill at this time. In October of 2007 we were set to initiate a new Farm Bill as the old one expired in September, 2007. However, Congress has not been able to come up with a Farm Bill that could satisfy either party, much less satisfy the President's request to reduce payments and limit those who are eligible to receive payments. Currently the congress has been operating under short-term extensions of the old Farm Bill, but no funding has been provided for any payments associated with the 2008 fiscal year that the USDA has. Over the last several weeks we have seen increasing pressure being put on both the House and Senate Agriculture committees, but at this time I am not hopeful that anything will be done in the near future.

I believe that the best thing that could be done would be to extend the 2007 package one more year, which would be through September, 2008. We could then move forward with farm sign-ups and begin receiving payments on the farms. The payments would simply be the Direct Payments since with the high commodities the Counter Cyclical Payments do not exist. If they would go ahead and extend the Farm Bill one more year as expected, you would receive approximately \$10,052.00 total or \$5,026.00 each in Direct Payments for this year. Even as I look back at last year's March planning report, I find that they had already begun talking about an extension or a new Farm Bill among the various organizations. And here we are some 13 months later still not knowing what the future holds.

2008 IMPROVEMENTS

In addition to doing the leveling work on the south area of the farm behind Ludie's old house, this fall we also need to add several more drainage pipes around the back sides of the fields, as well as a major pipe draining the woods into the creek back to the southeast. We were hoping to get this work done earlier this spring, but the extremely heavy rains have not allowed the creeks to get low enough to get the work done. As soon as we get the crops planted, we will then begin to focus on drainage improvements on the property.

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, please contact me.

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Accredited Farm Manager

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