

We have had the opportunity to add some new team members at the farm and want to take this opportunity to introduce them to you. First is Matt Firestone, originally from Whitley County. Matt has been on a custom harvesting crew for the past two years that operated wheat harvesting from Texas to North Dakota. Matt now resides near Warsaw. Next is Matt Welte, whom is originally from near Evansville, Indiana. Matt (Jr) has over ten years of farm experience as well. So we welcome both Matt's to the Tom Farms team.

### Continuing on with us this year we have:

- Curtis Hatfield: 15 Years with Tom Farms
- Greg Rowland: 10 Years with Tom Farms
- Mitch Close: 7 Years with Tom Farms
- Aaron Burbrink: 6 Years with Tom Farms
- Lynn Mullet: 2.5 Years with Tom Farms
- Keith Pfeiffer: 2 Years with Tom Farms
- Jeff Hershberger: 1 Year with Tom Farms
- Chad McClintic: 1 Year with Tom Farms
- Zach Marshall: ½ Year with Tom Farms
- Blaine Goon: ½ Year with Tom Farms
- Matt Firestone: *New*
- Matt (Jr) Welte: *New*

### Family Members

- Everett & Marie Tom
- Kip Tom
- Melissa Gerber
- Kyle Tom
- Greg Rowland
- Kassi Rowland
- Kris Tom

## TEAMWORK DIVIDES THE TASK AND MULTIPLIES THE SUCCESS.

CereServ Grain, a sister company to Tom Farms is proud to have the opportunity to help support local farmers during their harvest. CereServ was built to help improve harvest efficiencies, improving local unload times, drying and storage. CereServ's capacity is currently 2.7 Million Bushels of corn. If this corn was used for ethanol, it would produce over 5.5 Million gallons, 22 Million boxes of cereal, 2.2 Million boxes of pancake mix, 48 Million pounds of livestock feed as well as produce other starches and proteins! If you would ever like to see the facility, please stop by at any time And we would be happy to give you a tour.



The new Farmers Feeding the World campaign brings together all of American agriculture and consumers throughout the United States to feed those in immediate crisis and teach the hungry, regardless of circumstance, to feed themselves.



FARMERSFEEDINGTHEWORLD

As many of you are aware I have been engaged in a campaign called Farmers Feeding the World. Farmers' Feeding the World was established to support improved nutrition through agricultural efforts domestically and globally while telling the story of modern agriculture and the need for it to succeed in our goal to feed a growing global population. We are working with Heifer International, the Howard Buffett Foundation and the World Food Organization Red Cup Program, Borlaug Institute and Purdue University. Recently I traveled with Howard Buffett and his son to Afghanistan and Iraq to witness the needs there. I can tell you with 50% unemployment, 40% of the population under the age of 18,

average annual household income of \$800 per year and a life expectancy of 42 coupled with a literacy rate averaging only that of a second grader, the need is great. Thanks to efforts of FFW, the Buffett Foundation and the Borlaug Institute and now Purdue University, sustainable changes are occurring. For instance a \$150,000 project improving potato storage yielded a \$2 MM annualized net revenue gain for potato farmers and increased amounts of food availability for the malnourished.

To learn more about this effort please visit the web site below.

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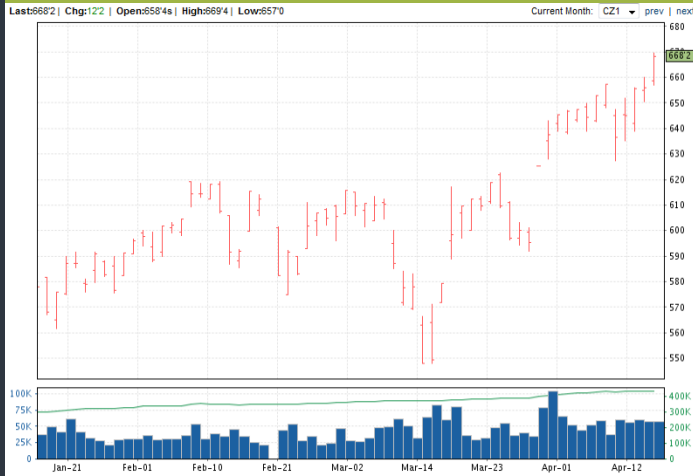
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## FACTOID

While foodstuffs only represent 11.6% of the cost of food, USDA says that 33% of every dollar spent on food goes to energy related factors. The portion of energy invested in producing food is small relative to the energy put into everything else. To suggest that corn production is not energy efficient and therefore, raises the cost of food, is a mathematical absurdity. Ethanol does more to lower the cost of energy in food production than it does to raise the cost of foodstuffs in food.



## Land & Commodity Prices

Many of you would ask so what is with corn prices? As you are well aware we have seen significant gains in all commodity prices from copper to corn. This past year we had a chain of events that created a short supply of cotton, wheat, soybeans and corn. We had a Russian drought, a disappointing corn crop in the Midwest due to the sustained high temps after pollination leading up to maturity, an Australian flood and a somewhat short Argentine corn crop. Couple all of this with increasing world demand from a desire to improve diets in Asia and a growing population from 6.9 billion people to a forecast of 9 billion in 2050 and you have the recipe for increased demand from a short supply. Volatility in our markets have been severe in a two week period we saw corn drop \$1.25 per bushel then a week later an increase of nearly a dollar in a 8 day period. We have seen our input cost steadily climb instance out nitrogen that we use to fertilize corn has went from \$175 per ton to nearly \$350 per ton, fuel has went from \$1.85 a gallon to nearly \$4.00 per gallon. So with these increases in price I can

assure you the American Farmer will address the challenge head on and meet the increased need though deployment of technology, improved agronomic practices and hard work. So what a year from now if we have good production around the world we will likely have lower prices. So stay tuned for volatility in all commodity prices. \$7.00 corn can soon be \$4.00 corn.

Never in my life time have I seen the price of land change more in a nine month period that we have just witnessed. The Chicago Federal Reserve reports that in some cases land values have increased nearly 25% in the last year alone in Illinois and Indiana. So why has this happened? First I would say commodity prices and farmers ability to buy, secondly today what other investments offers the security and sustainable return such as land? The next driver is money fleeing the stock market and financial markets looking for an inflation hedge. Bottom line farmers are buying 70% of the land, existing landowners are buying 15% and money managers are buying the other

15%. Last but not least the low cost of money for mortgages. So you would ask at an increase of 25% could we have a land price bubble and the Federal Reserve's answer is yes we are due for a correction but one never knows what triggers it or when it will happen nor how much prices will change. Even if we have a minor correction your investment in farmland has been a solid choice and should remain so well into the future given global demands for food, fiber and energy. As a side note if you ever give a consideration to selling your land or know of someone who is interested in selling theirs please let us know we have a keen interest. Likewise for rental we are eager to grow our family business and if you know of someone willing to rent please let us know.



## Technology

Well this year is no different than any of past, we are again engaging in some new technologies in our attempt to improve efficiencies, reduce cost and improve profits while protecting the environment and your farmland. This year we are engaged in a beta testing process that combines GPS, cellular technology and Web-based software, to help manage and improve the productivity of your assets and fleet. This compatible Web-based

software, to help manage and improve the productivity of your assets and fleet, provides a simple visual representation of our operational activities and offers scheduling and routing capabilities, wireless file transfer, and the ability to run in-season, real-time reports -- -- all so we can make the best decisions for our business.

The next technology we are employing is the John Deere Load

Command System. This allows a self-propelled sprayer applicator to load a 1,200 gallon tank in about three minutes versus a traditional fill time of 12 to 15 minutes. The Load Command system simplifies the loading process and helps operators easily manage the heavy and bulky tendering hose during the refill process.

## Some Food for Thought

1960: A U.S. farm family fed 26 people.

A family of 4 could live for 10 years off of the bread from 1 acre of wheat.

2010: A U.S. farm family fed 155 people.

Farmers & Ranchers provide food and habitat for 75% of the nation's wildlife.

24 Million jobs are supported by the U.S. farmer.

Farmers will need to produce more food in the next 50 years than was produced in the previous 10,000 combined.

41.56% of the World's corn is produced by U.S. Farmers.

One acre of soybeans can produce 82,368 crayons.

## Annual Landowner Appreciation Dinner

Our annual landowner and neighbor appreciation dinner is planned for August 10<sup>th</sup>, 2011. Tentatively we have Indiana Lt. Governor Rebecca Skillman, your Secretary of Agriculture on the agenda as the featured speaker for the evening. We encourage you to bring your family with you and will also extend the offer to other landowners and neighbors you know that might have an interest in enjoying the evening with us. Look for further information to follow.

Becky Skillman is serving her second term as the 49<sup>th</sup> Lieutenant Governor of Indiana. Since 2005, she has served as the state's second in command with a clear vision of Indiana's complete economic comeback.