

Welcome to the High Oleic Profit Calculator Tool! This easy-to-use decision-making tool was developed to help you make informed economic decisions on how High Oleic soybeans fit into your farming operation and puts the power in your hands. You can run unlimited scenarios based on management, costs, and variables that are important to your farm. The questions asked in the tool may prompt further discussion, and this is where the short guide and list of explanations comes in. We hope this helps make the tool even easier to use, and helpful to your farm. For additional questions or answers that you can't find here on how to use and operate the tool, please email shay@agviewsolutions.com.

TABLE OF CONTENTS

How does the tool function?	2	
How do I log in? How do I log back in?	2	
What is the High Oleic Advantage/Difference?	3	
What does the HO:Crop Price Ratio mean?	3	
What is High Oleic ROI (Return on Investment)?	3	
How do I modify a scenario?	4	
How do I compare scenarios?	5	
Why would I clone a report?	5	
How many scenarios can I run?	5	
How do I delete scenarios?	5	
Who can view my data?	<u>5</u>	
How do I calculate Return to Management?	6	
How do I know my equipment costs/acre?	6	
What if I don't know some numbers for the information needed?	7	
What does my cost of production include, and what does it mean?	7	
How well do High Oleic soybeans yield?	7	
What is the projected market price for High Oleic Soybeans?	7	
How do I find my High Oleic Soybean premium for my area?	8	
How do I calculate land cost per acre?	8	
How do I calculate interest cost?	8	
How do High Oleic Soybean seed costs compare to other soybean seed costs?	8	
How do I calculate my grain hauling costs?	8	
How do I know what my drying costs are going to be in a new crop year?	8	
What are my storage costs?	9	
What if I don't market or measure my comparison crop in bushels?	9	
How do I edit the final report?	9	
How do I send a report to others?	10	
Can others edit the report?	10	
How do I print the reports?	10	
Why am I not able to advance to the next tabs in the tool?	11	
My numbers don't look right: what am I doing wrong?	11	
What are the most common mistakes when using the tool?		



How does the tool function?

The tool operates on the same principles as any well-written formula in a spreadsheet. It takes all the information you input and compiles it in a way that generates usable data and information. The great part about this tool is it uses YOUR assumptions and personal inputs, while also accounting for known factors. You input the correct information through a series of easy-to-follow questions (35 total, with some being repeats), and the tool generates a one-page report highlighting important factors such as whether there is a High Oleic advantage on your farm, the price ratio of the crop you're comparing to high oleic soy, and overall profitability! You can then edit any variable to make instant changes on the report. The tool automatically updates with your changes and saves the most recent scenario to the main page where you can see an overview of ALL scenarios you've created. This allows you to analyze cost on a field by field, farm by farm, and entity by entity basis, and see them all on one home landing page.

How do I log in? How do I log back in?

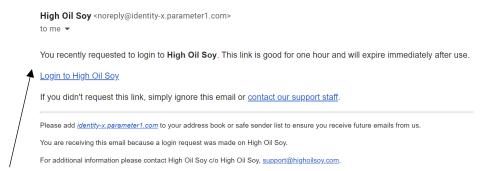
Visit https://www.highoilsoy.com/crop-comparison



When prompted, enter your email, and click the "send login link" button.

An email will appear very quickly at the email address you sent the link to.

Note: You must have access to the email you are sending the login link to! The email will appear with this information:

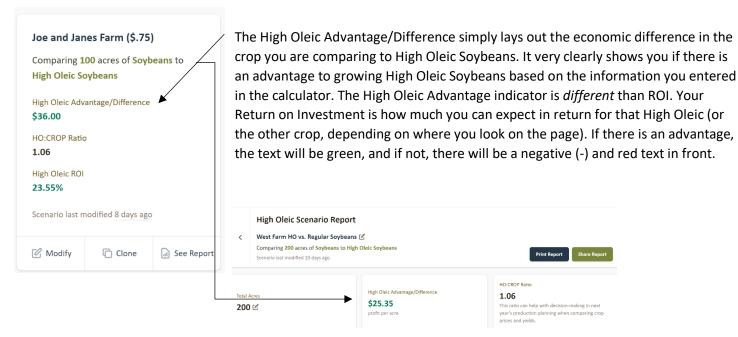


Click "Login to High Oil Soy"

The link will take you to the main page where you can Create New Scenario or see all the scenarios you have already created! Logging back in is the exact same process. This prevents you from having to remember another password in your life, while also ensuring security because you must have access to the email to log in!



What is the High Oleic Advantage/Difference?



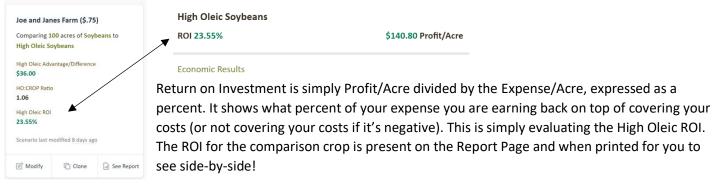
What does the HO:Crop Price Ratio mean?

This is an easy way to compare price per bushel that is often used in the industry and when making acreage and marketing decisions. It is often listed as \$Soybeans/\$Corn. In our case, we are using \$HOSoybeans/\$ComparisonCrop to give you an idea of how the price comparison is between crops!

An example: (\$HOSoybeans/\$ComparisonCrop)

	<u>Corn</u>	Soybeans	High Oleic Soybeans	Wheat	<u>Other</u>
Price/Bushel	\$4.56	\$12.00	\$12.50 (with premium)	\$6.50	\$5.00
HO: Crop Price Ratio	2.75	1.05	1.00	1.93	2.5

What is High Oleic ROI (Return on Investment)?



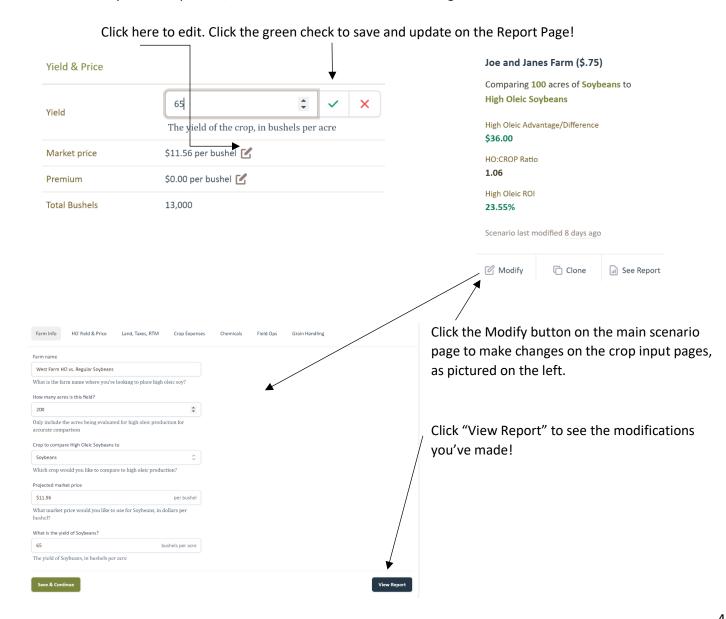


How do I modify a scenario?

There are two ways and places to modify a scenario.

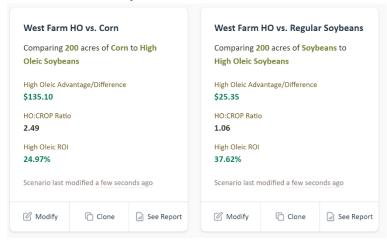
- 1. The first place is on the report page of each scenario. You can click the edit button (pencil on paper icon) next to all variables that can be changed, and then change the number. Then, click the green check mark to save your changes. This instantly updates the report page to reflect your changes.
- 2. The second place is in the actual tabs for information entry that you experienced when creating a new scenario. You get there by clicking "Modify" on your main scenario report page. You can then click in the tabs of all entry types and update the information. To view the changes, click "View Report" in the bottom right corner of the page.

Note: Modifying a scenario permanently changes the information in that scenario. If you want to keep the current scenario for side-by-side comparison, "Clone" the scenario and make changes in the new clone!





How do I compare scenarios?



Scenario comparison can easily be done through cloning. What this allows you to do is easily duplicate all the information you have entered for a field, such as the West Farm in this example, and make a duplicate.

Cloning, however, is not the only way to compare scenarios. You can easily compare between fields, crops, and any number of variables by creating new scenarios. You can run infinite scenarios and view them side by side on the main page!

Finally, the report is designed to print neatly on one page for this exact reason. Print them off and evaluate them!

Why would I clone a report?

The primary reason for cloning a report is removing the amount of data entry between scenarios. You can easily duplicate the information through the "Clone" button, and change the variables you wish to see differently- yield, price, acres, etc. All variables can be adjusted!

How many scenarios can I run?

Infinite! They will all be stored on the main page after logging in for you to view at any time.

How do I delete scenarios?



After a scenario is complete, you can click "Modify" on your main scenario page for the scenario you wish to delete. In the top right corner, you will see the red button that says, 'delete scenario'. You will be prompted, 'are you sure you want to delete scenario'? Click 'ok' and the scenario is deleted!

Who can view my data?

Only you and the people you share your scenarios with. (See "How do I send report to others?") The site is designed to store your information, so you always have it available, without having to keep track of it in your files or having to worry about a password to log in.



How do I calculate Return to Management?

Great Question! Return to Management is also called Cost of Living, Budget, Draw, or Personal Expense. These don't all mean the same thing, so let's take a closer look at Return to Management. This category includes things such as owner and employee compensation, utilities the farm uses to operate, dues and subscriptions, internet, and phone, etc. These costs should only be what the farm is incurring as a cost, or if you want to evaluate how much you as a family want or need to live on. Every farm pays for their Return to Management cost differently, and every farm has a different Return to Management cost, so we can't put a 'plug' number in the equation. Rather, if you wish to evaluate the crops in the scenario equally, simply put your best guess or leave the amount at \$0.00. For a better understanding of your Return to Management costs, visit https://agviewsolutions.com/free-tools/ and reach out to a member of the team with any questions!

Ag View Solutions Budget Tracking Tool for Return to Management Calculation

https://agviewsolutions.com/free-tools/ to learn more and see the full tool

Return To Management		Budget		Overhead Cost Report			
			Total Production	770,000	2021	Production Year	
Production Labels	Acres - Units	Yield - Units	Product	Units of Production			
Corn Est.	2,000.0	200	Corn	400,000			
Soybean Est.	2,000.0	60	Soybeans	120,000			
Wheat Est.	2,000.0	125	Wheat	250,000			
Totals	\$160,000.00	\$0.00	\$160,000.00	\$13,333.33	\$438.36	\$0.40	\$1.33
	Actual	Actual VS Budget	Budget	Budget	Budget	Unit Cost	Unit Cost
Expense List (Enter Categories Below)	Total Expense	Total Expense	Total Expense	Monthly Expense	Daily Expense	Corn	Soybeans
Health Care	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04
Interest	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04
Meals	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04
Monthly Draw Owner & FICA + Benefits	\$5,000.00	\$0.00	\$5,000.00	\$416.67	\$13.70	\$0.01	\$0.04

How do I know my equipment costs/acre?

It can be tricky! One way is to simply look at your nearby University suggested rates to get closer than having no idea. Another way is to take your total machinery valuation times 25% and divide by the number of acres you are farming- this gives you a rough idea of what the farm truly has to pay for. The number may be eye-opening, but it is closer to reality than you may realize because you are paying for things like depreciation, appreciation, inflation, and more, even if you don't have to write a check for it every year. For simple calculations that will capture many farms using this tool, you can general figure \$110/acre on corn and \$90/acre on soybeans. HOWEVER, these are generalizations, and it's much better if you know and understand your true numbers. If you have no idea, keep the equipment costs the same, and use at least \$70/acre.

Calculating equipment costs on a per acre pass used to be challenging, but not anymore. The team at Ag View Solutions has developed an Equipment Analysis Tool that allows you to enter <u>your</u> machinery values, hour use, and other variables in an easy-to-understand format which arrives at a cost per acre that will keep your numbers relevant and accurate for years to come. Reach out to the team at Ag View Solutions by visiting <u>www.agviewsolutions.com</u>.



What if I don't know some numbers for the information needed?

No problem. You can look at the complete scenario video that will be posted that talks through each of the cost variables and how to arrive at them. You can also email the team with any questions, or reach out to your local seed dealer handling High Oleic soybeans to ask key questions. Universities typically have general numbers posted as well. If there is a variable that you don't know, or you're want to complete the scenario before knowing the exact number, you can either put in a 'plug' number or leave it at \$0.00. The caution with leaving it at \$0.00 is remembering you don't have all of your costs accurately reflected, so your ROI may be higher than reality.

What does my cost of production include, and what does it mean?

Economic Results	
Total expense	\$58,880.00 (\$588.80 per acre)
Total gross revenue	\$69,360.00 (\$693.60 per acre)
Total profit	\$10,480.00 (\$104.80 per acre)
Cost of Production/Bushel	\$9.81
Yield & Price	
Yield	60 bushels per acre 🗹
Market price	\$11.56 per bushel 🏒
Premium	\$0.00 per bushel 🗹
Total Bushels	6,000

Cost of Production includes ALL variable and fixed expenses on a per bushel basis. In this situation, the farmer's total expense in producing the crop is \$58,880. The farmer is projecting production of 6,000 bushels. By dividing the total cost by the total bushels, you arrive at the cost of production.

Keep in mind, this is accounting for ALL costs entered. Return to Management, Land, Equipment, Chemicals-everything. This is powerful, because it allows you to make better marketing decisions. For instance, if this farmer would like to make a 15% return on their crop this year, they would need a market price of \$11.29. If the current market price is \$11.56 as is listed, should they be making sales? How many bushels should they price? It's up to you to decide!

How well do High Oleic soybeans yield?

High Oleic Soybeans yield just as well or better than regular soybeans. To explain further, High Oleic Soybeans take less time to bring to market currently because they are in fewer trait platforms. This means the High Oleic traits can be more easily inserted into the most recent and advanced genetics, and brought to market more quickly than integrating into a traited platform. However, there will be High Oleic soybeans in the next few years with common herbicide resistant traits that we see in today's regular soybean lineups.

What is the projected market price for High Oleic Soybeans?

High Oleic Soybean prices are currently based on a premium system, and not as a separate commodity. The range of High Oleic premium ranges on location, processing use, and who is originating the grain. Currently, Premiums across the country range form \$.25-\$.75/bushel. Please check with your local High Oleic facility to determine the best number for you premium.



How do I find my High Oleic Soybean premium for my area?

Your local premium can be found by contacting your local elevator or grain originator. If they do not currently handle High Oleic, they will be able to get you in touch with the nearest facility that does. This is a great time for you to have a discussion with them about High Oleic soybeans and why they should handle them. If you have any further questions on how to work with your facility to handle High Oleic soybeans, please contact shay@agviewsolutions.com.

How do I calculate land cost per acre?

(Total Cash Rent + Total Principal and Interest Payments on Land)/Total Acres Farmed
It is necessary to calculate land costs over total acres farmed to ensure we are providing an accurate cost/acre in the scenario. You can enter the specific numbers for each farm (as an example, a specific cash rent) if evaluating on a field-by-field basis, but from a whole farm perspective, please use the information above. With further questions email shay@agviewsolutions.com.

How do I calculate interest cost?

Total Interest Paid on Operating/Total Acres Farmed

Most farms look at last year's tax returns to view interest paid on operating or line of credit, and then divide that by acres. Keep in mind, if you had a drastically different amount on line of credit from last year to this year, or a significant acreage change, you would want to take that into consideration. With further questions email shay@agviewsolutions.com.

How do High Oleic Soybean seed costs compare to other soybean seed costs?

High Oleic soybeans seed costs are in line with other soybean seed costs. They are not drastically more or less. Please reach out to your local seed dealer and ask them about their High Oleic soybean offering.

How do I calculate my grain hauling costs?

Great question! The easiest way is entering a number for what it would cost to have someone locally haul the grain. There needs to be a charge from the field to your on-farm storage if you have it, as well as from the farm to the processing facility. Typically, within 15 miles \$.06-\$.10/bushel will cover the cost from field to storage. From there, it just depends on how far the cost is to the processing facility, who is trucking it, or if it is being picked up will-call on the farm. The other way to calculate the cost is knowing exactly how much your trucks cost you in fuel, maintenance, labor, overhead, depreciation, inflation, appreciation, and repairs annually. Take that number divided by the total bushels hauled on average to arrive at a per bushel cost. With further questions email shay@agviewsolutions.com.

How do I know what my drying costs are going to be in a new crop year?

Short answer- you don't! However, you can use best estimates from historical data and experience. How much does it cost you to reduce moisture in the crop by one percentage point? How many points on average do you normally dry? As you get closer to time, if the conditions change, you can adjust your numbers accordingly. High Oleic soybeans do NOT dry down any slower than regular soybeans, as a general statement. Obviously, conditions and maturities vary.



What are my storage costs?

If you are storing commercially, simply input the flat fee or the cost to store per month times the number of months stored. If you are storing on-farm, this number can be a bit trickier. There are four things to consider:

- 1. Amount of Storage
- 2. Principal and Interest payments remaining on the storage
- 3. Life expectancy of the grain system
- 4. Will there be upcoming upgrades?

What we need to be careful of is not over-inflating the cost on an annual basis.

Example:

100,000 bushels of storage \$50,000 of debt 20-year life expectancy

 $$50,000/100,000/20 = $.025 \text{ or } $.03/bushel in storage.}$

If you have significant grain-handling equipment such as grain legs, dryer, etc. a general rule of thumb for handling is \$.03 in and \$.03 out. Every grain handling facility is different in cost, size, and complexity, as well as the frequency of turning the system if the farm doesn't offer 100% storage capacity of the crop. With further questions email shay@agviewsolutions.com.

What if I don't market or measure my comparison crop in bushels?

Soybeans are measured as 60 pounds for 1 bushel. Convert your crop to value per acre/60 pounds (1 bushel equivalent) and use that as your comparison for price per bushel. This is easy to do whether your crop is sold in ton, hundredweight, pounds, etc. Or, if you're selling by the unit, simply take the number of units produced on an acre (yield) times the price for a simple comparison in the tool. It will still show as bushels in the tool, but you will know the difference. With further questions email shay@agviewsolutions.com.

How do I edit the final report?



The report can be edited right on the report page by clicking the edit icon, and then clicking the check mark to save the changes. You can else edit the report by clicking "Modify" on a scenario on the main scenario page, editing the information, and then clicking "View Report". Both options instantly save and update the information on the report!



How do I send a report to others?

High Oleic Scenario Report

West Farm HO vs. Corn C
Comparing 200 acres of Corn to High Oleic Soybeans
Scenario last modified a few seconds ago





There are 3 ways to share the report! You can click *these buttons* to either print or share the report.

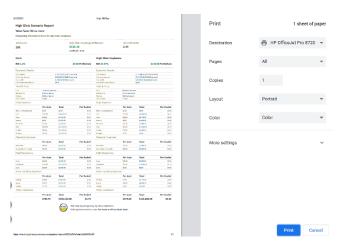
When you click "Share Report" the screen in the picture to the left pops up. You can then either send the report as an email, or as a link. Both options send the receiving user a link to a non-editable version of the scenario. This ensures they are not seeing your other scenarios, not logging into your account, and cannot change the numbers you sent them.

Printing the report shows up on one convenient page to easily show others or leave with them for further consideration. All numbers show up nicely on one page!

Can others edit the report?

No. The only way others can edit the report is if they have your email and login information. This would allow them to receive the link and log in to your account. Otherwise, all links that are shared are non-editable versions to protect your privacy and ensure consistent messaging and communication.

How do I print the reports?





To Print, simply navigate to the report page and click the "Print Report in the top right.

After clicking this button, your computer or browser print dialogue box will open and allow you to decide normal print information such as which printer to send it to, and whether you want it in color. If your printer is linked appropriately, when you hit "Print" you should have a clean one-page report in seconds!



Why am I not able to advance to the next tabs in the tool?



The tool is designed to allow you to advance if you simply leave it at \$0.00. However, if you have a blank data entry, it requires you to put a value into the box to proceed. This is necessary because the tool is using every variable to compute your cost of production and to create a profit analysis!

My numbers don't look right: what am I doing wrong?

Start with your major costs and key variables: Land, Return to Management, Equipment, Yield, and Price. Are these numbers accurate? For instance, if you don't have a return to management cost in there, you may have an over-inflated return. This is easiest to evaluate in the report page as all items are listed side by side. Go through every line and check if the numbers are right. What other costs may you have left out? If you feel that all of your costs are in order, check your yield and market price. After that, ask yourself if there are any "Other" costs you may be leaving out such as irrigation. If everything in those areas looks right, the numbers you're seeing in front of you are accurate, and truly reflect your cost of production as well as a fair comparison of High Oleic soybeans. You can continue to change values based on assumptions or new information. With further questions email shay@agviewsolutions.com.

What are the most common mistakes when using the tool?

They key is to put in the most accurate numbers possible. As farmers we tend to be too conservative in our yield estimates, not know our costs as well as we should, or put some "cushion" in our numbers to 'play it safe'. This is not what you want when analyzing cost of production that ties directly back into marketing. Get as specific of a number as possible, and then make informed decisions based on the information you're seeing.

Beyond that, some common mistakes include premium entry. Make sure you are putting the base commodity price in the 'market price' category and adding in premium separately. Also, make sure if you want to compare scenarios with subtle changes such as price and yield, simply use the "clone" button on the main scenario page to prevent extra time in having to re-enter all the variables. Check them on the report page to make sure they look right when complete and save the scenario as a different name to know what you're comparing.

With further questions email shay@agviewsolutions.com.

We are here to help you with this tool and the decisions you make after using it! We hope this provides a tremendous amount of value to your farm or business. Please send us feedback or other areas of improvement as well. Thank you for considering High Oleic soybeans, and please look through the rest of the website for more information!