



**DTN/The Progressive Farmer  
Ag Summit 2013**

**PEAKSOIL**  
INDEXES

An aerial photograph of a vast agricultural landscape. The foreground and middle ground are dominated by large, rectangular fields in various stages of cultivation, showing shades of green, brown, and tan. A large, white, rectangular structure, possibly a greenhouse or a large barn, is visible in the center. The background shows more fields extending to a distant horizon under a clear sky.


**“Civilization itself rests upon the soil.”**

Thomas Jefferson

**“Cultivators of the earth are the most  
valuable citizens,”**

Thomas Jefferson

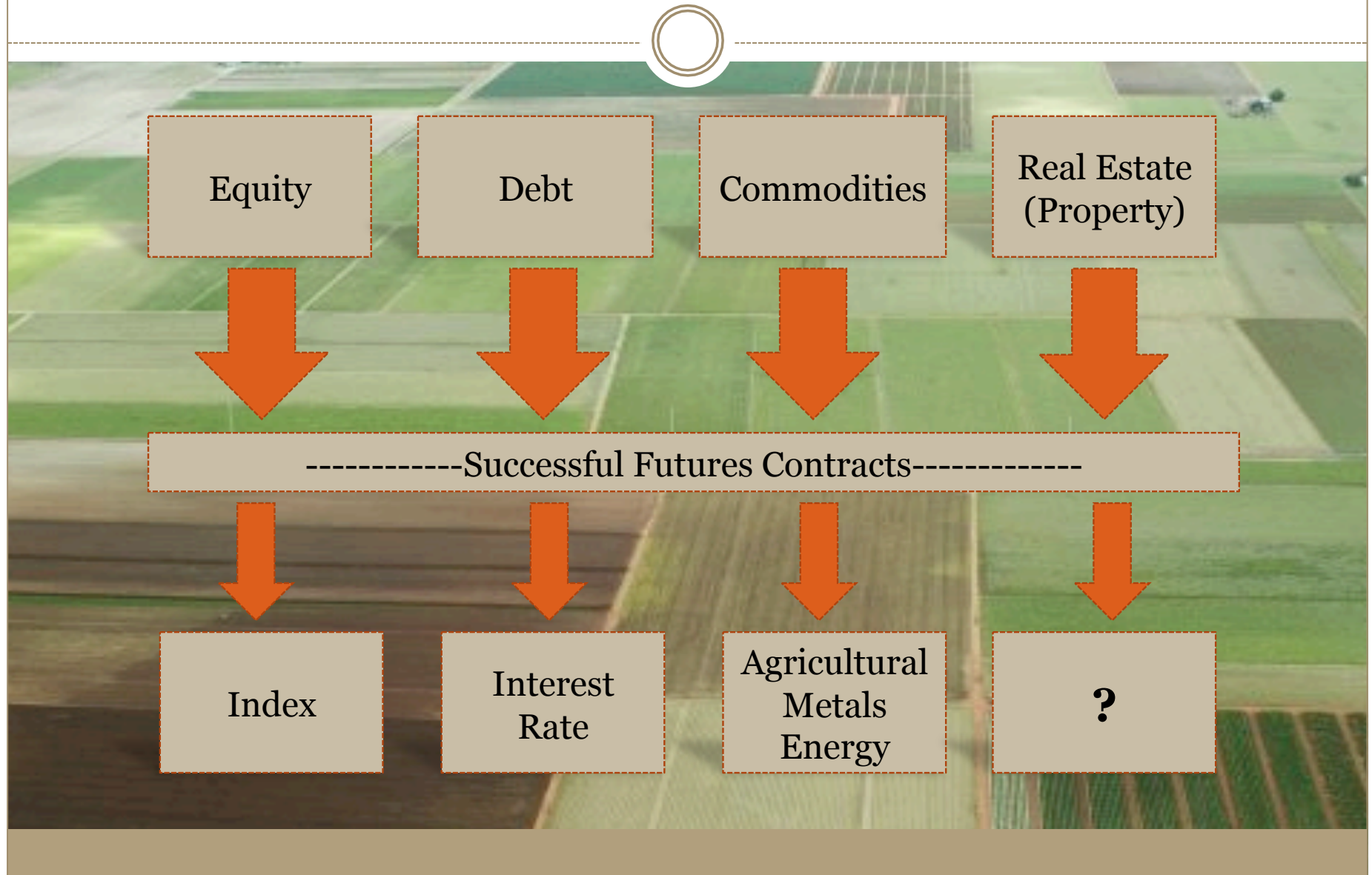


An aerial photograph of a vast agricultural landscape. The image shows a patchwork of fields in various shades of green, brown, and tan, separated by thin lines of roads and ditches. The fields are arranged in a grid-like pattern, with some larger rectangular plots and some smaller, more irregular ones. The overall scene is a typical representation of a large-scale farming operation. The text is overlaid on the image, centered in the upper half.

**“We stand, in most places on earth,  
only six inches from desolation, for that  
is the thickness of the topsoil layer  
upon which the entire life of the planet  
depends.”**

R. Neil Sampson, in “Farmland or Wasteland:  
A Time to Choose”

# Four Major Asset Classes



# Characteristics for a Successful Contract



- **Homogeneity of product, non identification with specific entity.**
- **Ability to standardize with recognized grading source.**
- **Volatility or uncertain pricing.**
- **Absence of regulation in pricing physical market.**
- **Actively traded or known cash market.**
- **Understanding of pricing determinants.**
- **Existence of some degree of optionality in cash market.**
- **Availability of cross hedging to existing futures contracts.**
- **Both buyer and seller interest.**
- **Source for initial liquidity.**





# Redefining Commodity Indexes

**Traditional Commodity Index Exposures can be Redefined**

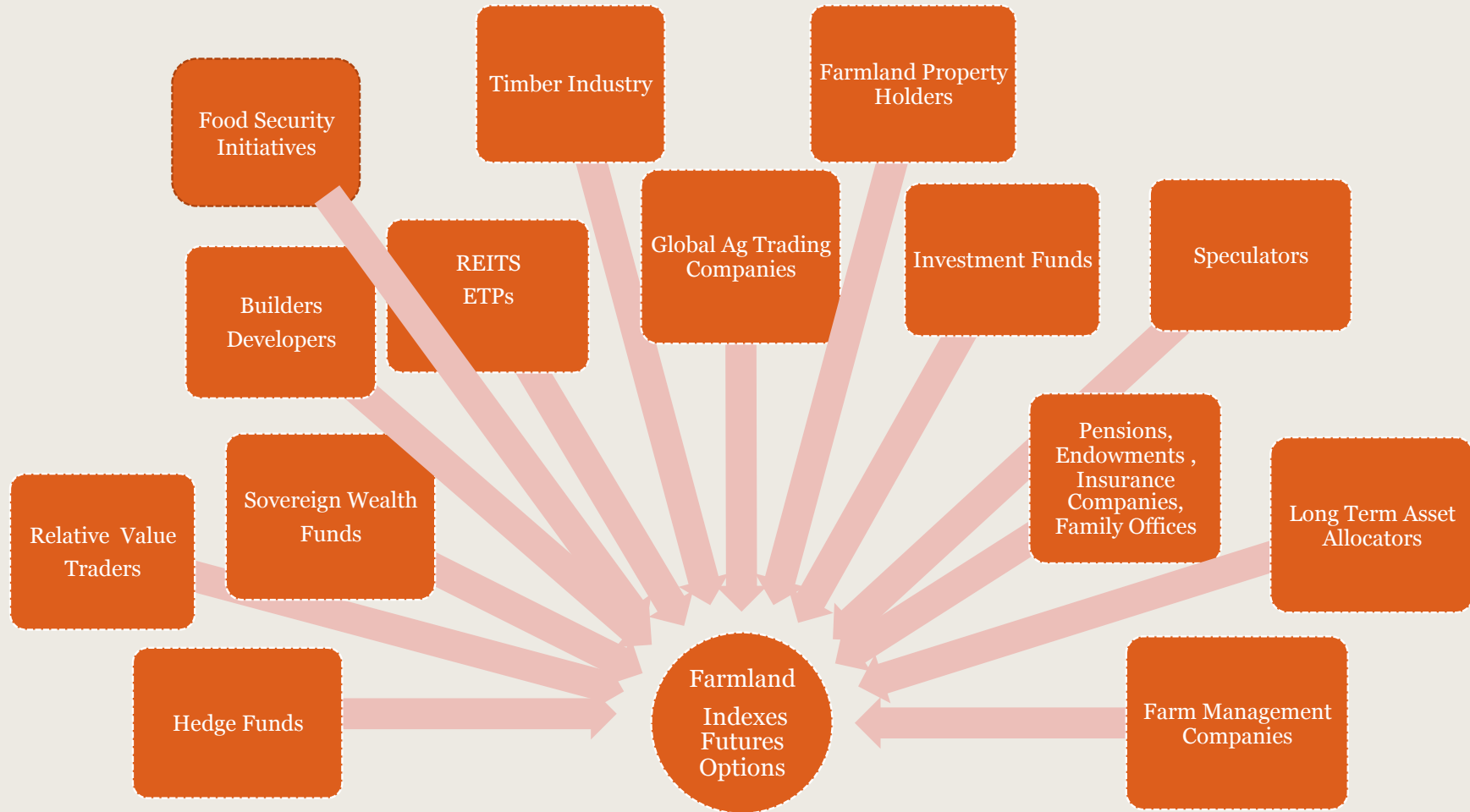
**Agricultural Commodity Index - row crops, fruits, nuts, vegetables, orchards, rice, etc. Add cropland exposure.**

**Livestock Commodity Index – cattle, hogs, chicken, sheep. Add rangeland/pastureland exposure.**

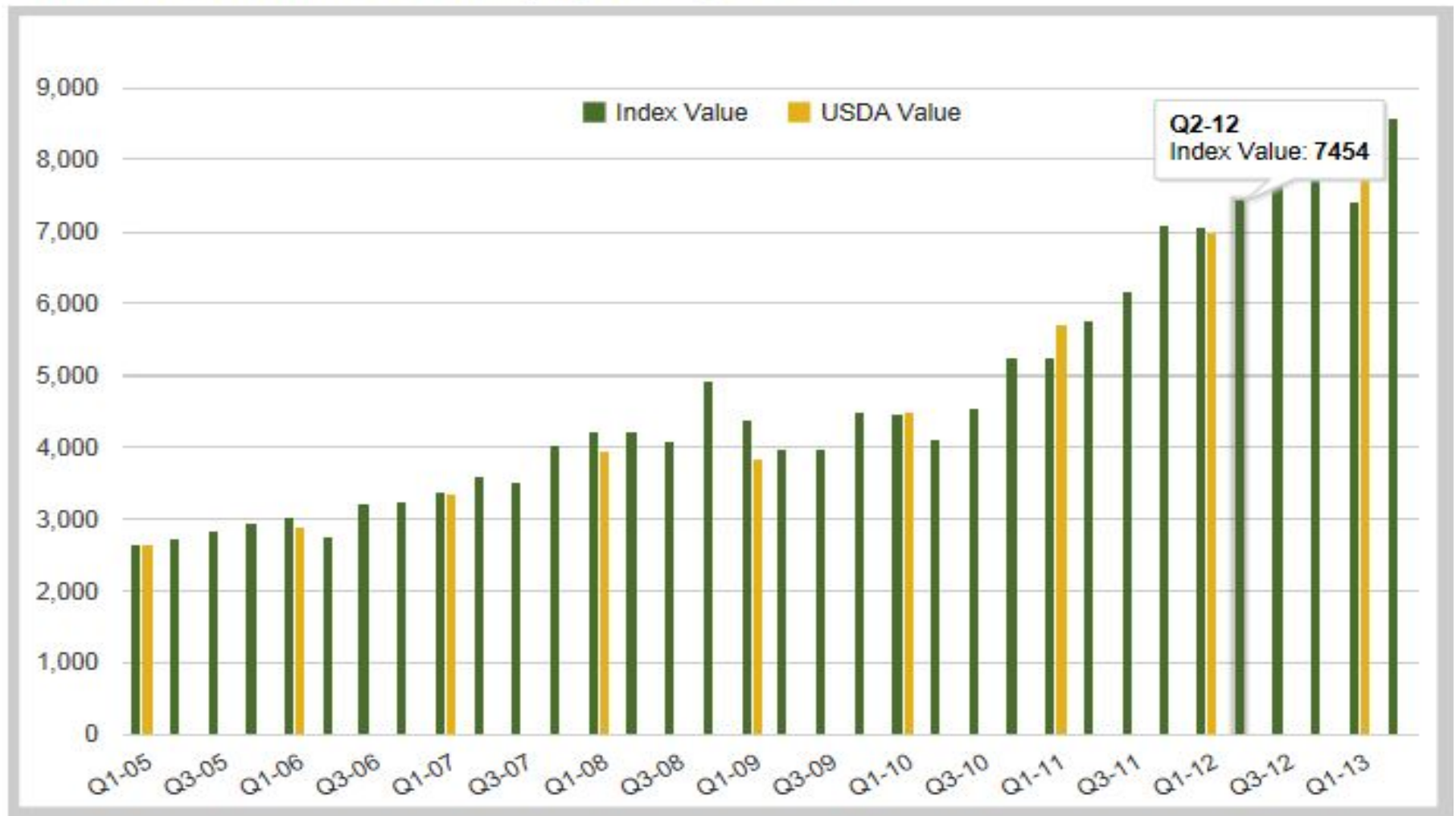
**Forest/Timber Commodities – lumber, plywood. Add forest land exposure.**

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# Large User Base



## Peak Soil™ Iowa Cropland Value Index vs USDA Yearly Iowa Farm Real Estate Value, (price per acre)





## Average Cropland Value (Corn Belt States, price per acre)

