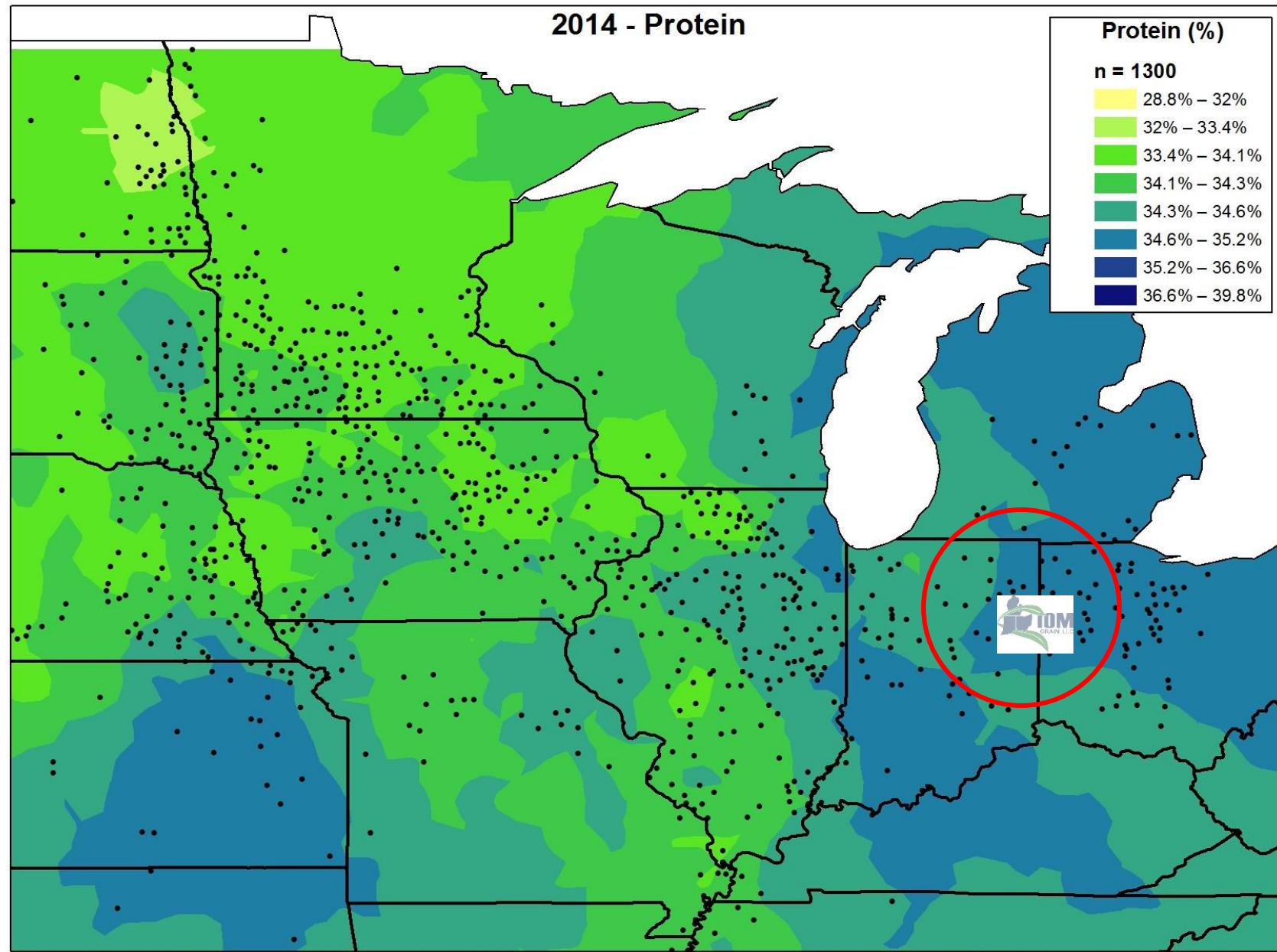




IOM's Location

IOM Grain is located in one of the best growing regions in the world for high quality food grade soybeans.

As noted on this USSEC map of the 2014 soybean crop, our growing region produces a crop high in protein with an abundant supply.



The Good.

The ECB, 2016 soybean crop was planted at a record pace this year giving us one of the best potential crops in 25 years.

Though recent high temperatures and 12 days without rain have added a little crop stress, our heaviest concentration of contracted soybeans are still robust and pod fill is excellent.





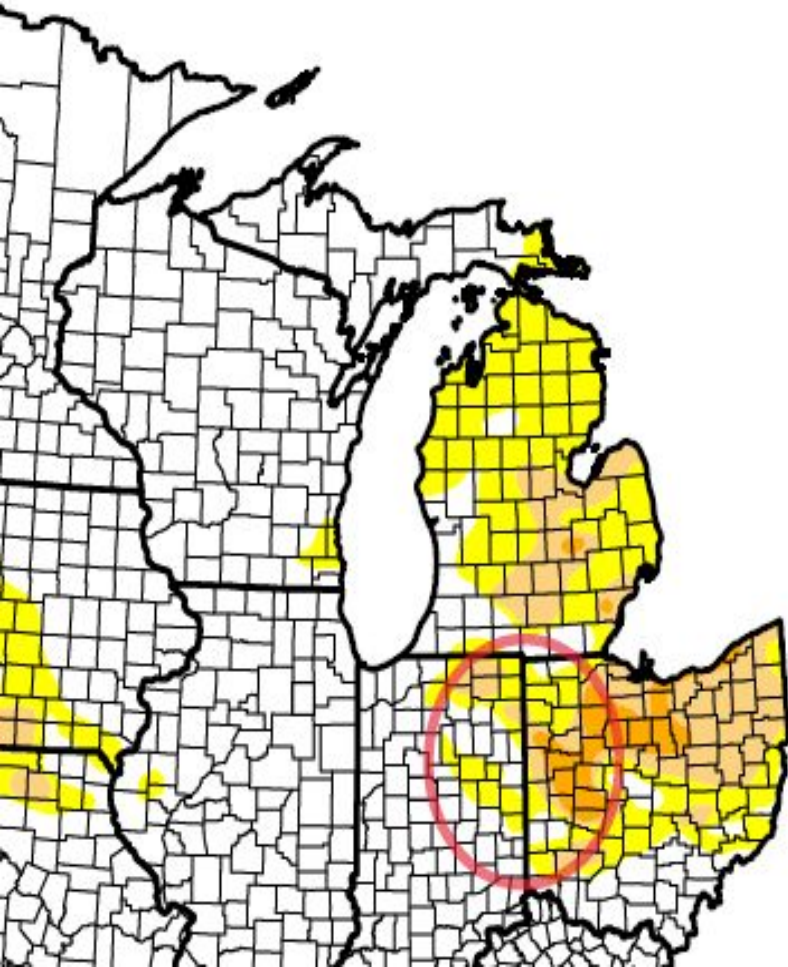
The Bad.

Not all areas are perfect.

15% of our region has been hot and without a good rain for 21 to 30 days. This weather has hit us hard during pod set and fill.

We expect some yields in the effected area to be as low as the mid-thirty bushel per acre range.

U.S. Drought Monitor Midwest



August 9, 2016

(Released Thursday, Aug. 11, 2016)

Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	80.70	19.30	6.08	1.26	0.00	0.00
Last Week 8/2/2016	80.64	19.36	5.86	0.00	0.00	0.00
3 Months Ago 6/10/2016	89.24	10.76	1.15	0.00	0.00	0.00
Start of Calendar Year 12/29/2015	88.07	11.93	2.35	0.00	0.00	0.00
Start of Water Year 9/29/2015	79.46	20.54	1.04	0.00	0.00	0.00
One Year Ago 8/11/2015	93.15	6.85	0.73	0.00	0.00	0.00

Intensity:



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Richard Tinker
CPC/NOAA/NWS/NCEP

How bad is the drought?

The NOAA Drought Monitor for the 9th of August tells us the effected area is growing in size with ever increasing severity.

If we do not have a change soon Yield and Quality will be reduced in a large portion of our production region.

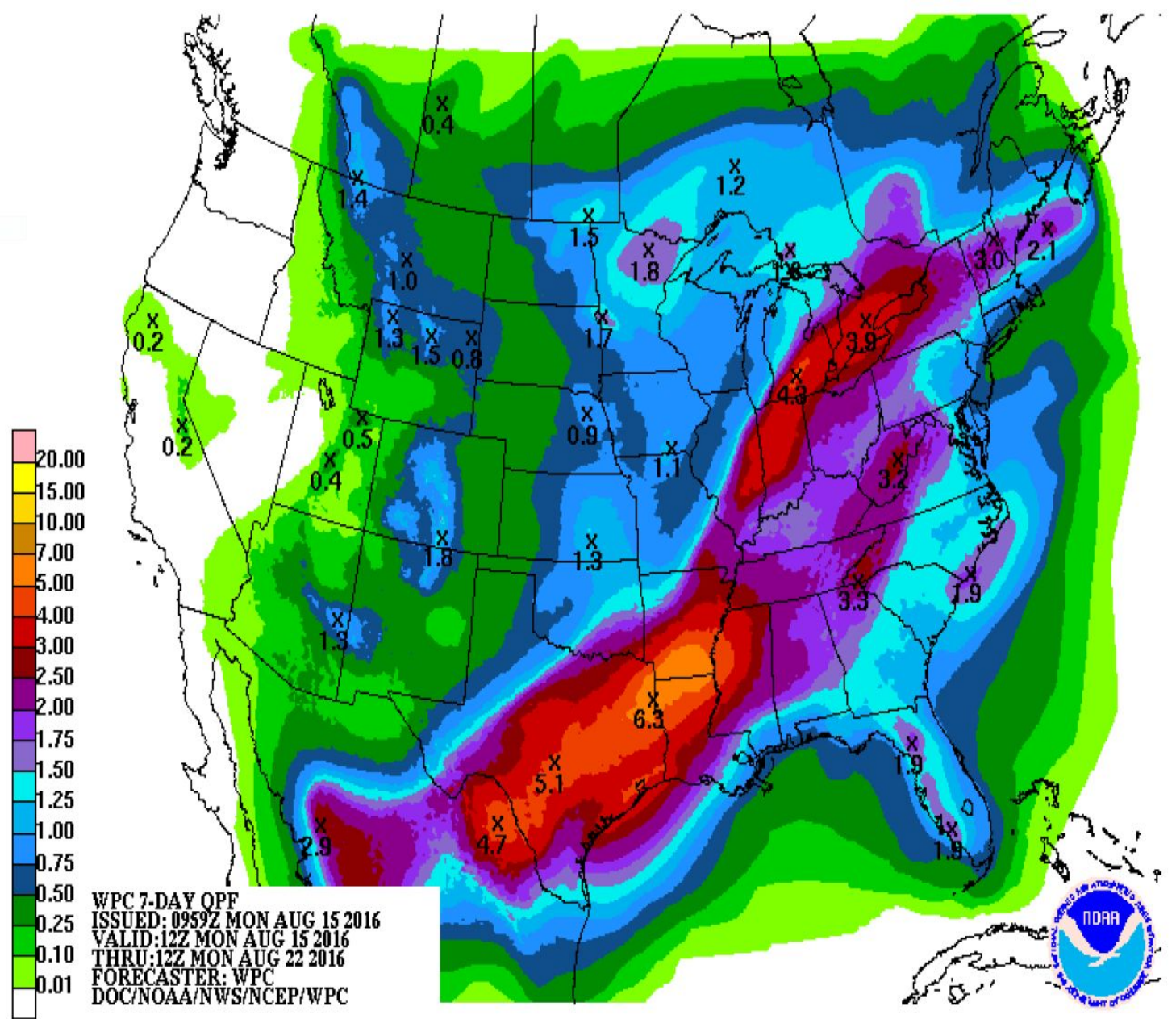
Just when you think all is lost.

This NOAA map is projecting rainfall from the 15th to the 22nd of August.

Prior to the map publication our region received general coverage of 2 to 3 inches of rain.

As of this writing our general growing region will have approximately 14 days of cloud cover, moderated temperatures and as much as 7 inches of rain through the middle of August.

Too late for 10% of our region but great for 90%.

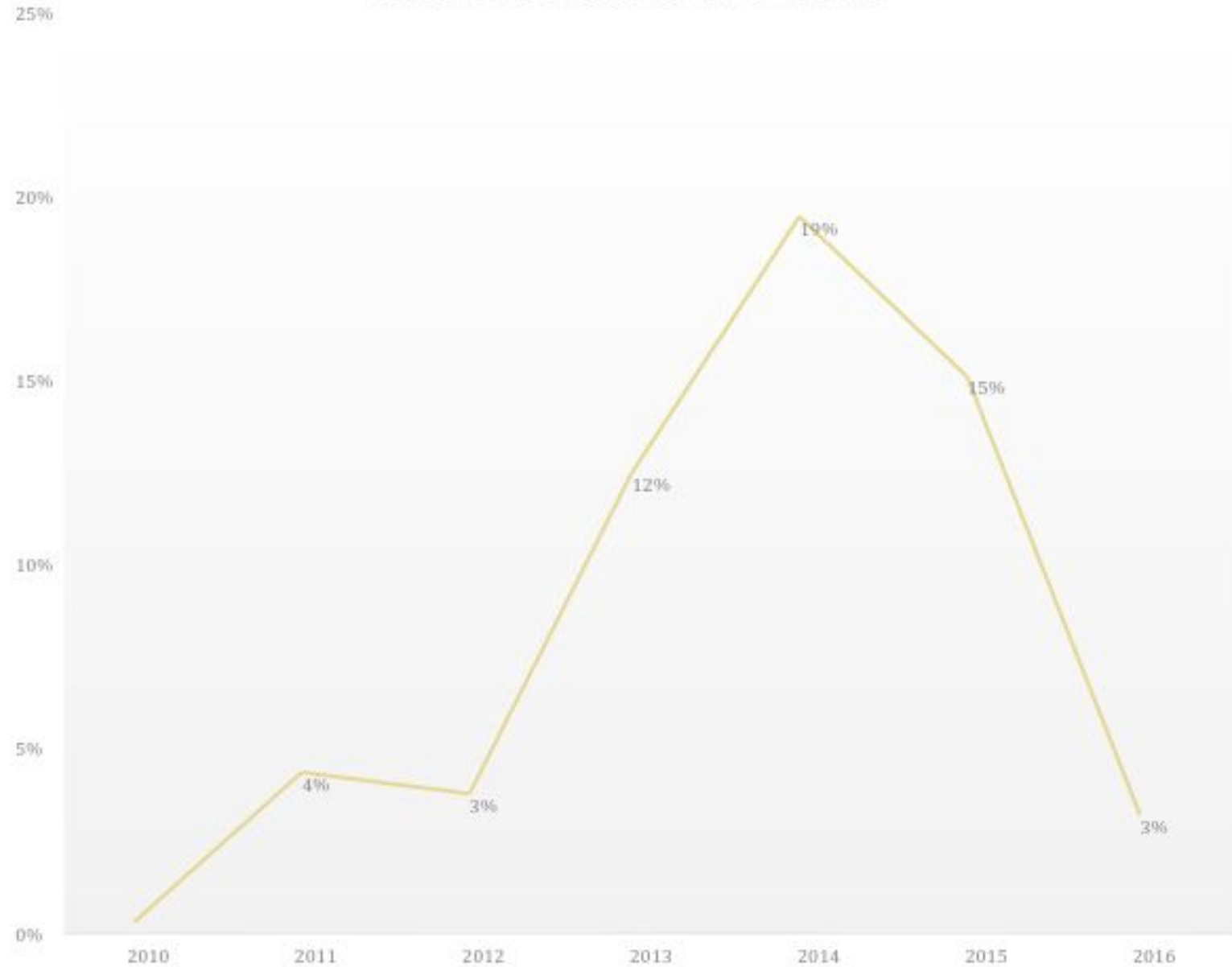


ECB Trends

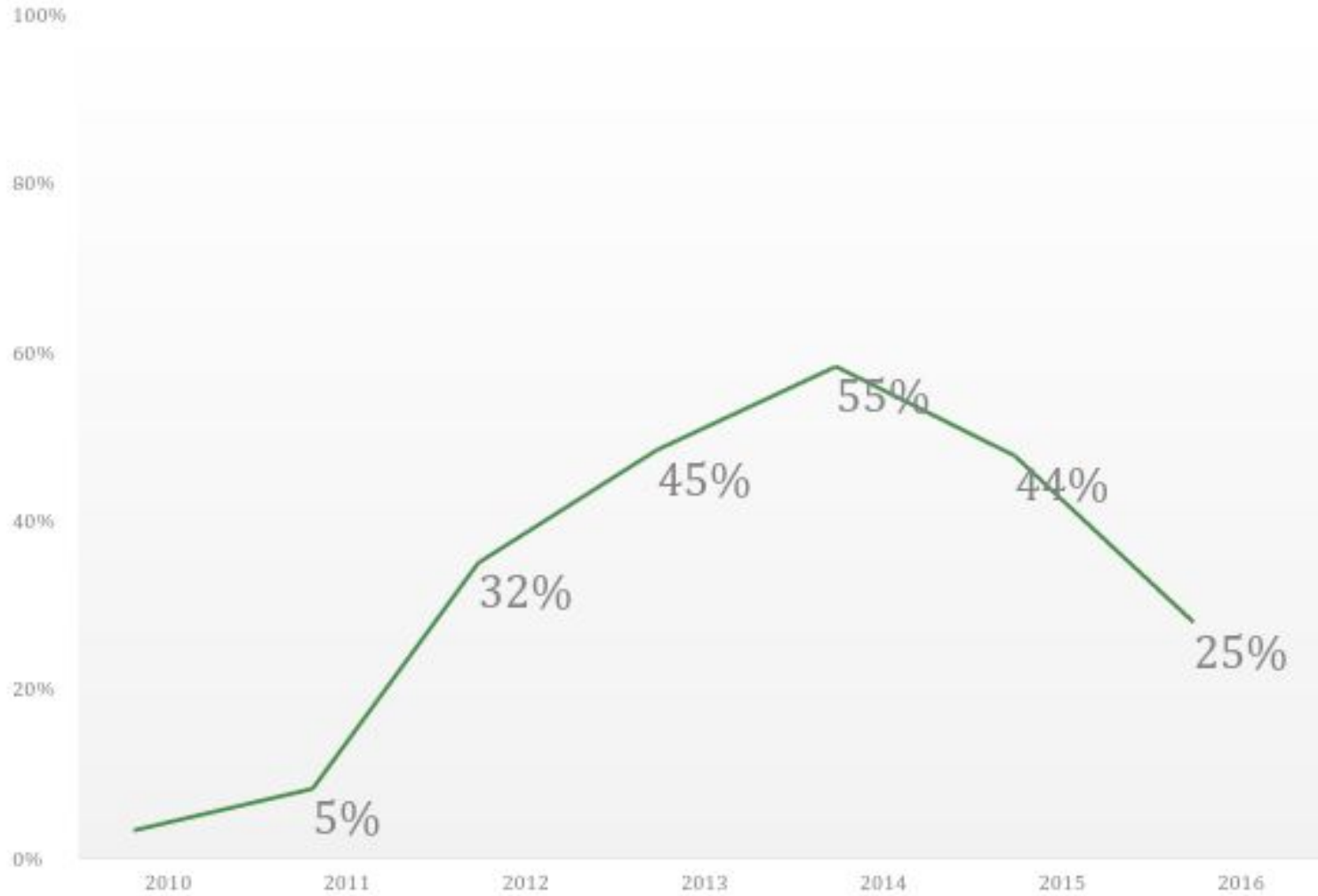
Sales Premiums

1. Two Years of Large North American crops
2. Increases in Japanese domestic soy crop tonnage
3. Lower demand in priority export markets

Sales Premium as % of 2010



ECB Grower Premiums as % of 2010



ECB Trends

Grower Premiums

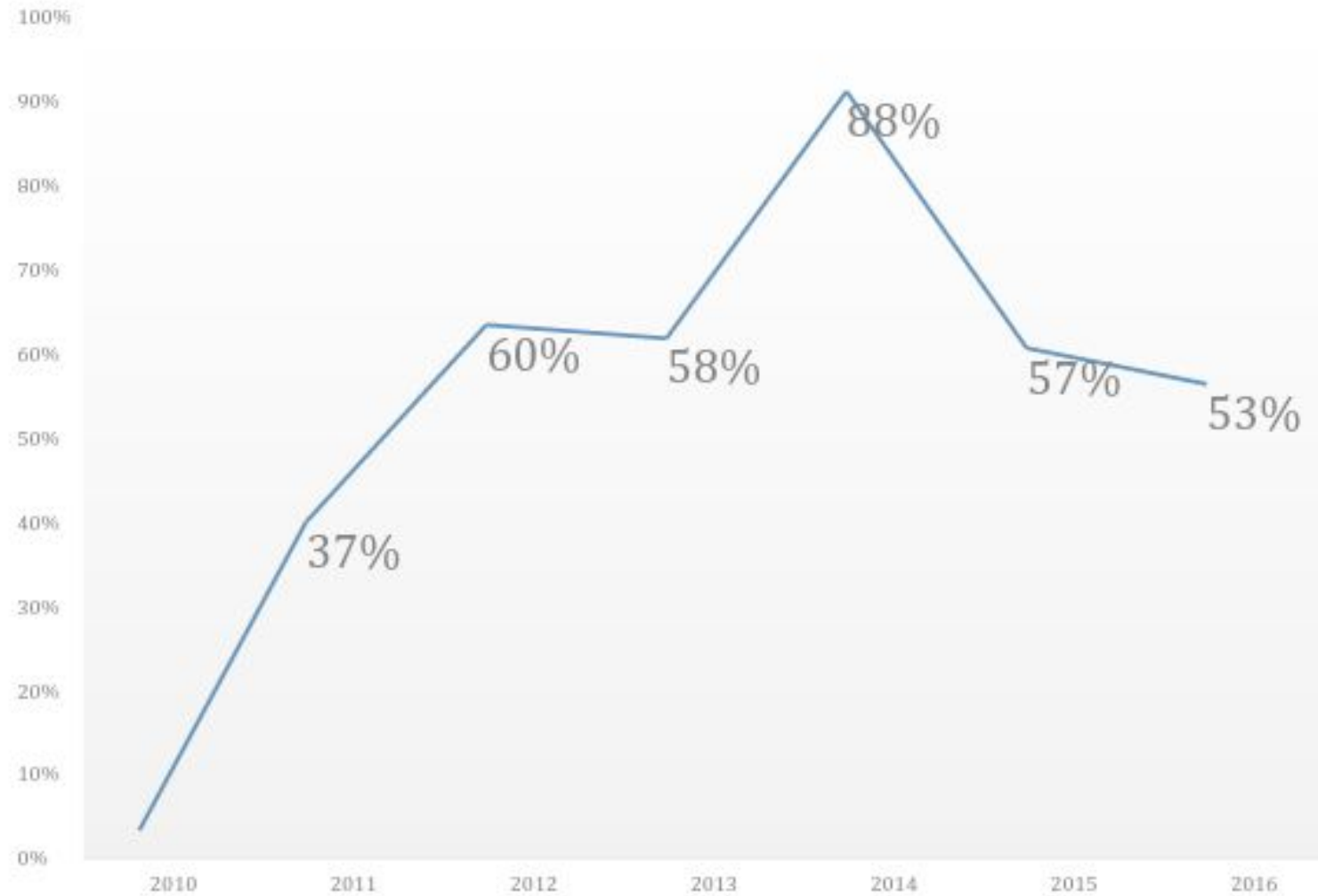
1. Still 25% Higher Than 2010 Crop
2. Grower Premiums are near sustainable values
3. Premiums are getting close to growers \$0.00 cost to benefit ratio

ECB Trends

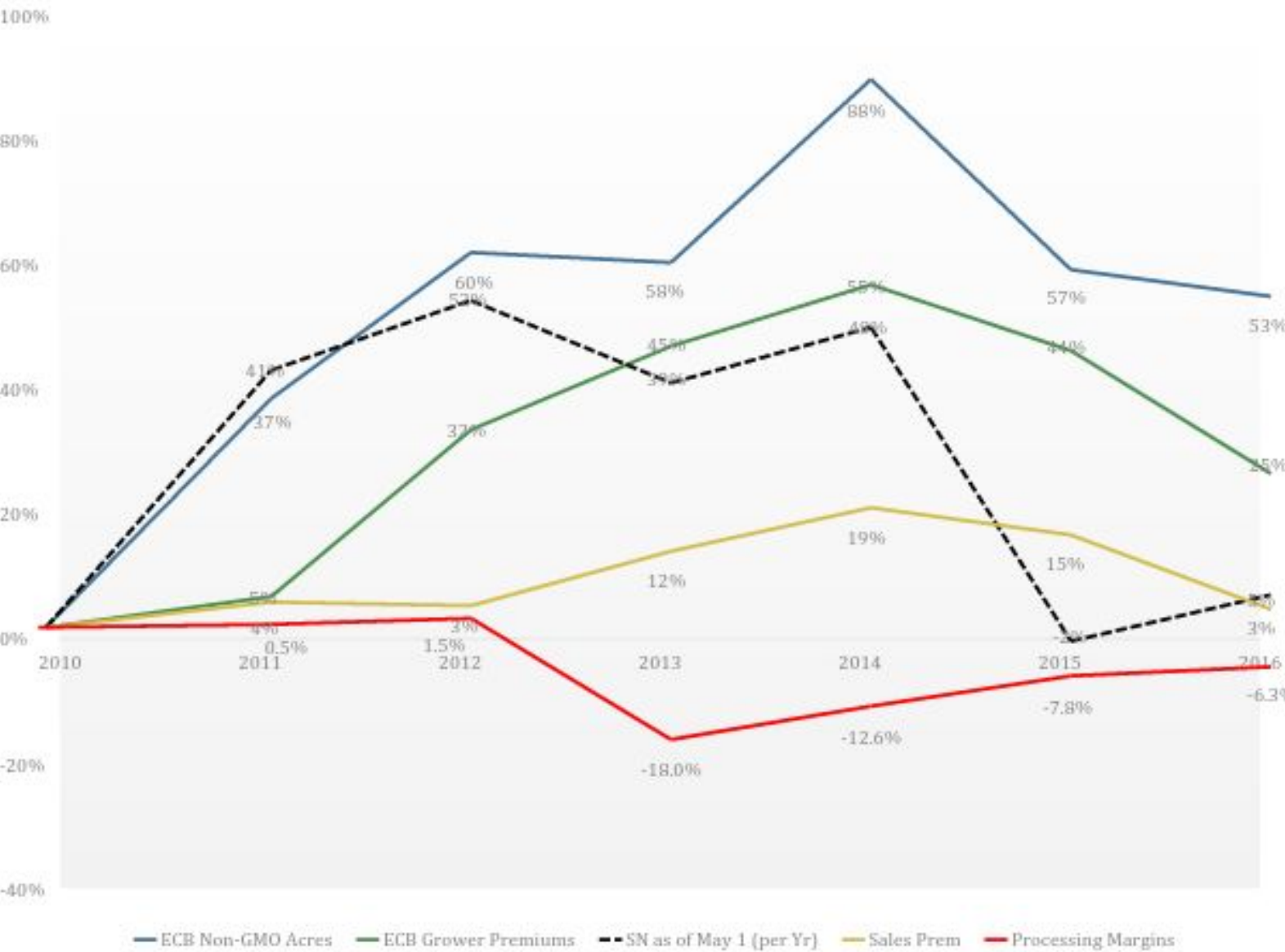
Non-GMO Soybean Acreage

1. Spec acres left the market
2. A controlled slide caused by grower premium reductions
3. Regional Non-GMO seed sales are down 25% from 2014 Crop to 2016 Crop

ECB Non-GMO Soybean Acres as % of 2010



7 Year Market Trends as a % of 2010



Observations

1. Grower Premiums and Non-GMO acres will continue to decline
2. Sales Premiums have returned to near 2010 values
3. As Grower Premiums exceeded 32% of 2010 values, Processing Margins cushioned the Sales Premium

Stability of supply and demand in our market are most important to guarantee uninterrupted long term supplies of the World's Best Soybeans