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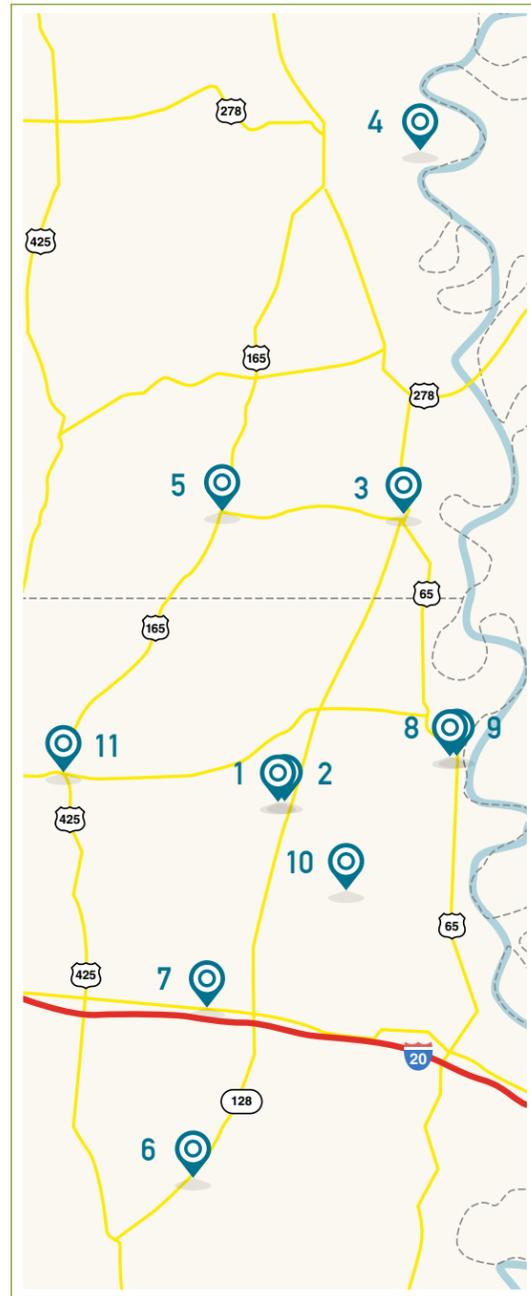
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C = Corn S = Soybeans W = Wheat R = Rice M = Milo



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IN THIS ISSUE

- + Larry Tubbs retires
- + People and Company News
- + Market Outlook

BIG RIVER NEWS

Spring 2015

PEOPLE NEWS

NEW MERCHANDISER JOINS BIG RIVER

We're pleased to welcome Tori VanderWagen to Big River as a merchandiser.

"Tori is a great asset for the team," said CEO John Goetting. "She'll be a key component to building a bigger Big River trading footprint."

Before joining Big River, VanderWagen worked with Goetting at DeBuce Grain and Gavilon Grain. VanderWagen is pleased to rejoin her former teammate.

"John's comments about Big River and the people here have always been positive and encouraging," said VanderWagen.

"The company has a great reputation, and I am really glad that I joined the team; there are a lot of really great people here."

As a merchandiser, VanderWagen's duties include originating grain from farmers, coordinating the relocation of that grain, and sourcing grain from untapped areas of the Big River territory. VanderWagen brings a wealth of experience to the position and will no doubt help Big River maximize the agricultural and economic potential of Louisiana and Arkansas growers.

TUBBS RETIRES; GOETTING BECOMES CEO

After years of sharing his expertise with the grain industry, Larry Tubbs retires as CEO of Big River Rice and Grain. John Goetting, formerly chief operating officer, has been promoted to CEO.

"Larry is a great leader for the industry and the community. He was instrumental in bringing the three companies together when Agspring created Big River," said Goetting. "Bringing three competitors together like that could have been contentious, but Larry's firm leadership promoted teamwork that is still clearly evident."

Tubbs founded Tubbs Rice Dryers in 1988 and led the company to great success. He'll now serve as Director Emeritus of Big River. His fifty-plus years of experience in agriculture, working in the grain elevator business as well as farm production, will continue to serve us well.

"I am very enthusiastic about the direction of Big River and the quality of the management team we have in place," said Tubbs. "Growers throughout our region will benefit from its leadership as a grain handling and merchandising partner for corn, soybeans, rice and wheat."



Ron Miller, Steve Henderson and John Goetting plot the Big River course.

GOETTING TO CONTINUE COURSE

Despite the changes in our leadership, Goetting doesn't see any dramatic shifts in direction. "Using Larry's example as our guide, we plan to simply continue to build Big River's capacity and capabilities, and better serve our customers. Our whole objective is to increase their business."

Along with Goetting's succession as CEO, Steve Henderson has been promoted to regional vice president, operations. Ron Miller, a long-standing member of the Arkansas agribusiness

Continued on page 2

COMPANY NEWS

BIG RIVER RACE IS COMING!

The first annual Big River Rice and Grain 5K Race and 1-Mile Fun Run event will take place Saturday, May 2, at the historic Poverty Point World Heritage Site in Epps, La. Packet pick-up and race-day registration begins at 7 a.m. The Fun Run begins at 8:00 a.m. and the 5K race at 8:30 a.m.

Registration is \$25 before April 30 and \$30 through race day. All proceeds will benefit the American Lung Association. Sponsorships also are available to local businesses.



Register online at www.fitrightracing.com. For more information visit www.fitrightracing.com or call Jeremy Raley at 318-372-1978.

community, also continues to serve as regional vice president, operations.

“John Goetting is the perfect leader to take Big River to the next level,” said Miller. “He brings so much talent to the team.”

Henderson concurs. “I am confident that under John’s direction, Big River will continue to expand its presence in the mid-south grain market. We certainly look forward to the challenges the future will bring.”

Though he’s retired, Tubbs’ example will always be at the forefront for Goetting and his team. “These people were friendly competition before becoming one team,” said Goetting. “I took a lead from that perspective; we are not three different companies anymore. We are Big River.”



John Goetting

“We are not three different companies anymore. We are Big River.”

—John Goetting
CEO

Market Outlook

From INTL FCStone

Corn

The corn market has seen a slow, grinding selloff since the first of the year, as funds liquidated the long positions they have had on since early in harvest. Recent data now has the funds at a small short position after liquidating nearly 200,000 contracts since December.

However, a combination of increasing near-term demand and the need for more planted acreage to meet future demand is now supporting the corn market. Several weathermen suggest a cool and wet spring may cause delayed corn plantings across the Corn Belt, which is already the case in the Delta.

Basis values remain firm as Midwestern producers are light sellers of corn at current values. However, U.S. farmers are holding massive amounts of corn on the farm, so we could see a sharp price break in early summer once these bushels hit the market.

Corn acreage for 2015/16 remains a big question. The trade seems determined to support December 2015 futures at the \$4.00 mark. Overall, global carryout-to-use percentages are historically tight as a result of strong demand, and so traders will carefully monitor any issues with corn plantings this spring.

Figure 1 suggests major hedge points at \$4.33, \$4.50 and \$4.74. Values have now eased 20-30 cents from the December high of \$4.33 ³/₄, but as we approach the planting season, look for the trade to add some risk premium into flat price values ahead of summer. You should place resting orders to scale into hedges.



Figure 1: September 2015 CME Corn Futures (weekly)



Soybeans

The soybean market has traded in a 70-cent range to start the year as it continues to sift through big Chinese demand along with large U.S. carryout and record South American production. However, futures are now trading toward the low end of the range, as Chinese import demand has shifted from U.S. to South American origin, where yields are bigger than expected. The Brazilian soybean harvest is roughly 50 percent complete.



Brazilian farmers have been massive sellers of soybeans, as the strength of the U.S. Dollar and weakness in the Brazilian Real has resulted in high prices for Brazilian farmers. Traders expect Brazilian soybean production of 94.5 million metric tons (MMT), with Argentinian production at 56 MMT. However, Argentina could see up to a 2 MMT reduction due to recent flooding.

Despite huge soybean production in both hemispheres, we expect the flat price is likely to hold at \$9 as global demand continues to increase.

The U.S. only needs to ship 34 million bushels with 25 weeks left of the marketing year to reach the USDA goal. We expect the USDA to increase soybean exports in subsequent reports, which will reduce carryout numbers.

Look for volatile trading ahead of the March 31 USDA Quarterly Stocks Report because of soybean acreage uncertainty, but the wild card will be last-minute acreage shifts from corn to soybeans if excess rainfall keeps producers from fieldwork.

Wheat and Rice

The wheat market made new contract lows in March after choppy range-bound trading has been the theme to



Despite huge soybean production in both hemispheres, we expect the flat price is likely to hold at \$9 as global demand continues to increase.

begin the year. The funds hold a near-record short position of -65,000 contracts as we enter the critical spring growth period.

The majority of the soft red winter wheat area has had great moisture coverage the past few months and should see strong growth once we see warm, dry weather. However, the hard red winter wheat in the Great Plains needs moisture and is subject to a weather rally as a result of large fund positions, which should help bolster the entire complex.

Wheat values continue to be suppressed by the incredibly strong U.S. Dollar, which is trading at the highest levels since 2003. Despite a lack of export demand, current wheat prices have started to create growing interest from foreign buyers. The next two months will be critical in the growing stages for wheat and subsequent price action, so traders are hesitant sellers of wheat at current values.

Rough rice prices have been consolidating near \$10.50/cwt over the past few weeks as the market finally found a supportive area after a three-month downtrend.



Crowville

The latest USDA World Agriculture Supply and Demand Estimates (WASDE) report showed expected 2014/15 U.S. rice supplies at 275.9 million cwt, up 11 percent from last year. Global rice production is forecast at 474.9 million cwt, which is 2.2 million tons below last year’s record production. Overall, domestic rice prices have been hurt by the surging U.S. Dollar. However, as values rebound, producers should be aggressive sellers unless there is a drastic shift in the supply/demand picture.