

NGFA

Grain Finance

Maui, Hawaii
March 3, 2010

GreenHaven, LLC

GreenHaven LLC

- GreenHaven LLC, an Atlanta based fund manager involved in the management of a long only commodity fund with approximately \$240 million AUM.
- Its key personnel also work for Grain Service Corporation based in Atlanta, GA providing Hedge Brokerage and Consulting.
- Since 2005 GSC/ GreenHaven have been involved in creating and selling products that essentially serve both the speculative investor community and the commercial grain community.
- Since 2005 we have engineered and brokered approx \$1.2 billion in repo grain transactions, large and small OTC counterparty swaps.
- In the Q1 2010 GreenHaven has raised the first round of equity for a fund project that will invest in the grain complex.

Average Returns using seasonal basis (USDA PCP prices) 1995-2008 Crop Years

| TX Randal PCP | NE Cheyenne PCP | WI Rock PCP | IA Hardin PCP | IA Hancock PCP | MD Talbot PCP | KY Graves PCP | MO Saline PCP | AR Phillips PCP | TN Dyer PCP |
|--|-----------------------|-------------------|---------------------|----------------------|----------------------|---------------------|---------------------|-----------------------|-------------------|
| Sept 15th Thru Oct 15th // June 1-20th | | | | | | | | | |
| | Crop Year | Basis Change | Dec/July Spread | Gross Return | Change in Cash Price | Change in Futures | | | |
| | 1995 | \$0.12 | (\$0.14) | (\$0.02) | \$1.65 | \$1.67 | | | |
| | 1996 | (\$0.15) | \$0.01 | (\$0.14) | (\$0.59) | (\$0.48) | | | |
| | 1997 | (\$0.04) | \$0.27 | \$0.23 | (\$0.29) | (\$0.50) | | | |
| | 1998 | \$0.16 | \$0.23 | \$0.39 | \$0.31 | (\$0.08) | | | |
| | 1999 | \$0.09 | \$0.30 | \$0.39 | \$0.15 | (\$0.22) | | | |
| | 2000 | \$0.19 | \$0.28 | \$0.47 | \$0.21 | (\$0.27) | | | |
| | 2001 | \$0.20 | \$0.27 | \$0.47 | \$0.14 | (\$0.34) | | | |
| | 2002 | \$0.13 | \$0.02 | \$0.15 | (\$0.07) | (\$0.23) | | | |
| | 2003 | \$0.06 | \$0.17 | \$0.23 | \$0.76 | \$0.53 | | | |
| | 2004 | \$0.06 | \$0.38 | \$0.44 | \$0.16 | (\$0.27) | | | |
| | 2005 | \$0.18 | \$0.37 | \$0.55 | \$0.57 | \$0.01 | | | |
| | 2006 | \$0.21 | \$0.40 | \$0.61 | \$1.57 | \$1.37 | | | |
| | 2007 | \$0.01 | \$0.50 | \$0.51 | \$3.14 | \$3.12 | | | |
| | 2008 | \$0.15 | \$0.46 | \$0.24 | (\$0.44) | (\$0.60) | | | |
| | | \$0.10 | \$0.25 | \$0.32 | \$0.52 | \$0.27 | | | |

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| | | \$0.13 | \$0.32 | \$0.41 | \$0.67 | \$0.37 | | | |

Max Basis Low as % of Price (USDA PCP prices) 2000-2008 Crop Years - Corn

| TX Randal | | NE Cheyenne | | WI Rock | | IA Hardin | | IA Hancock | | MD Talbot | | KY Graves | | MO Saline | | AR Phillips | | TN Dyer | | |
|--------------|-----------------------|-----------------|-----------------------|----------------------|-------------------|------------------------|------------------|--------------------------|--|--------------|--|--------------|--|--------------|--|----------------|--|------------|--|--|
| PCP | | PCP | | PCP | | PCP | | PCP | | PCP | | PCP | | PCP | | PCP | | PCP | | |
| Percentage % | | | | | | | | | | | | | | | | | | | | |
| Crop Year | Basis Change Oct-June | Dec/July Spread | Elevator Gross Return | Change in Cash Price | Change in Futures | Max Seasonal Basis Low | Price at Harvest | Max Seasonal Margin Call | | | | | | | | | | | | |
| 1995 | 4% | -5% | -1% | 57% | 58% | -9% | \$ 2.87 | 78% | | | | | | | | | | | | |
| 1996 | -4% | 0% | -4% | -18% | -14% | -10% | \$ 3.36 | 0% | | | | | | | | | | | | |
| 1997 | -2% | 10% | 9% | -11% | -20% | -4% | \$ 2.58 | 10% | | | | | | | | | | | | |
| 1998 | 10% | 14% | 23% | 18% | -5% | -5% | \$ 1.70 | 20% | | | | | | | | | | | | |
| 1999 | 5% | 17% | 22% | 9% | -13% | -5% | \$ 1.76 | 24% | | | | | | | | | | | | |
| 2000 | 13% | 18% | 31% | 14% | -18% | -2% | \$ 1.53 | 29% | | | | | | | | | | | | |
| 2001 | 11% | 14% | 25% | 7% | -18% | -2% | \$ 1.90 | 0% | | | | | | | | | | | | |
| 2002 | 5% | 1% | 6% | -3% | -9% | -3% | \$ 2.57 | 0% | | | | | | | | | | | | |
| 2003 | 3% | 8% | 11% | 36% | 25% | -5% | \$ 2.10 | 49% | | | | | | | | | | | | |
| 2004 | 3% | 19% | 23% | 8% | -14% | -4% | \$ 1.97 | 3% | | | | | | | | | | | | |
| 2005 | 11% | 23% | 34% | 36% | 0% | -2% | \$ 1.61 | 35% | | | | | | | | | | | | |
| 2006 | 10% | 20% | 30% | 77% | 67% | -7% | \$ 2.04 | 94% | | | | | | | | | | | | |
| 2007 | 0% | 16% | 17% | 102% | 101% | -8% | \$ 3.08 | 133% | | | | | | | | | | | | |
| Avg | 5% | 12% | 17% | 26% | 11% | -5% | \$ 2.24 | 37% | | | | | | | | | | | | |

Structured Grain Transactions The Potential Cost of Margin

**Initial
and
Variation
Margins Can
Dramatically
Increase the
Cost of
Carrying
Grain**

- Current* CBOT Initial Margin Requirements for corn are \$1500 per Contract.
- Over a 120 day period, this initial margin of \$1500 per bu or \$0.30 cents per bu will cost the elevator \$0.00488 in interest per bushel**.
- If futures prices rally \$0.50 from the level at which a hedge against a grain position is established, i.e. the elevator has to post \$0.50 per bushel in variation margin, over the same 120 day period this will cost the elevator an additional \$0.00814 per bushel.
- Total margin expense (initial and maintenance), assuming an adverse \$0.50 per bushel futures move can cost \$0.01293 per bu. This is equivalent to an additional annualized interest cost of 0.86%***.
- A \$2.00 adverse move in futures prices would cost an additional 3.45% annually***or making total interest cost per bu of 4.93% + 3.45% = 8.38%, or an additional \$0.155 cents per bu per year.

Benefit of Financial Products

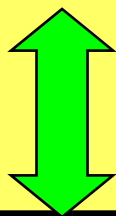
- Greater Liquidity
- Relief from initial margin and margin calls
- Better Debt to Equity Ratios
- Less interest cost per unit if prices are higher
- Greater Advance Rate
- More Certain Working Capital Budget

Time / Risk

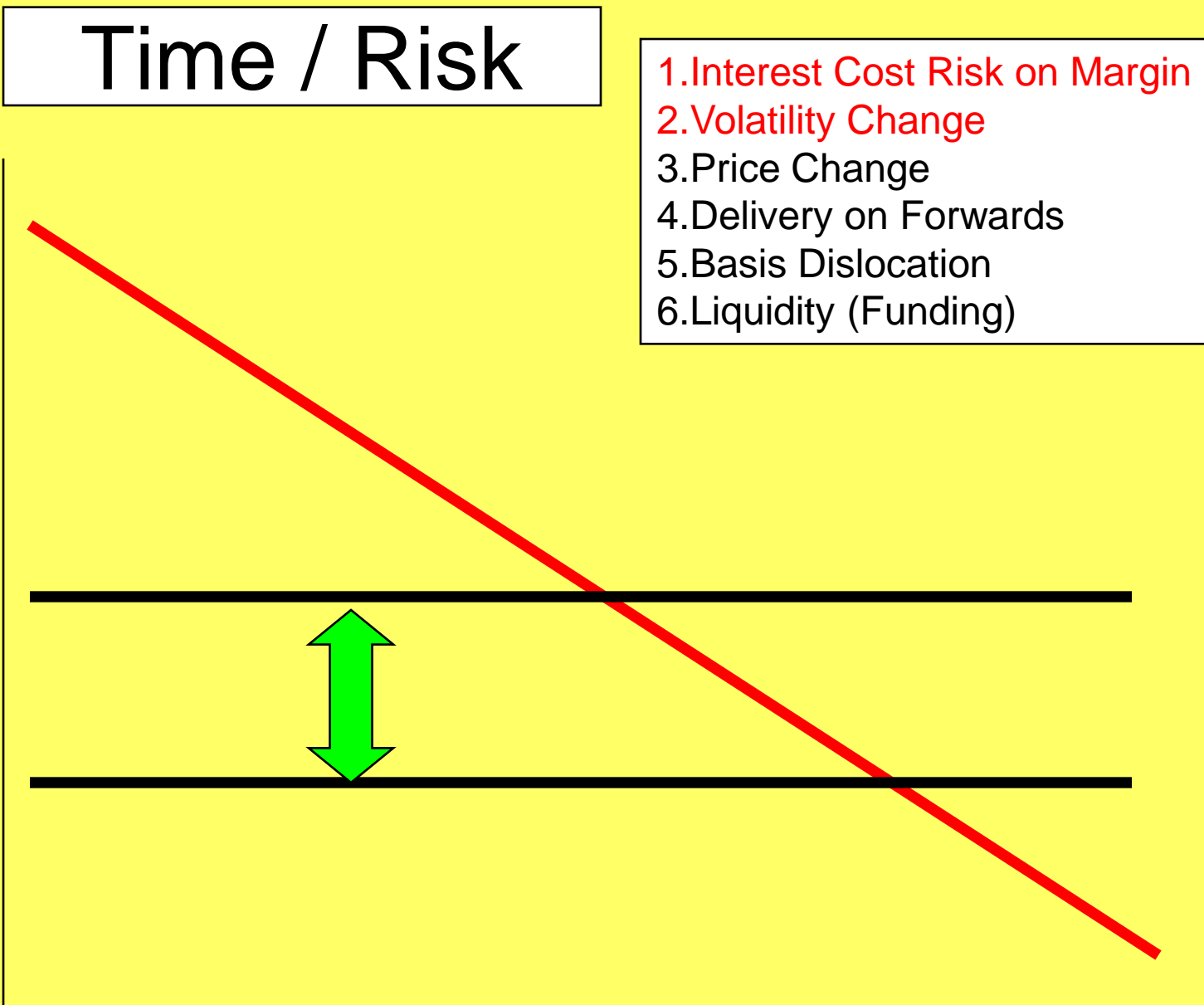
1. Interest Cost Risk on Margin
2. Volatility Change
3. Price Change
4. Delivery on Forwards
5. Basis Dislocation
6. Liquidity (Funding)

Risk Per Bu \$

\$10
\$9
\$8
\$7
\$6
\$5
\$4
\$3
\$2
\$1



Time



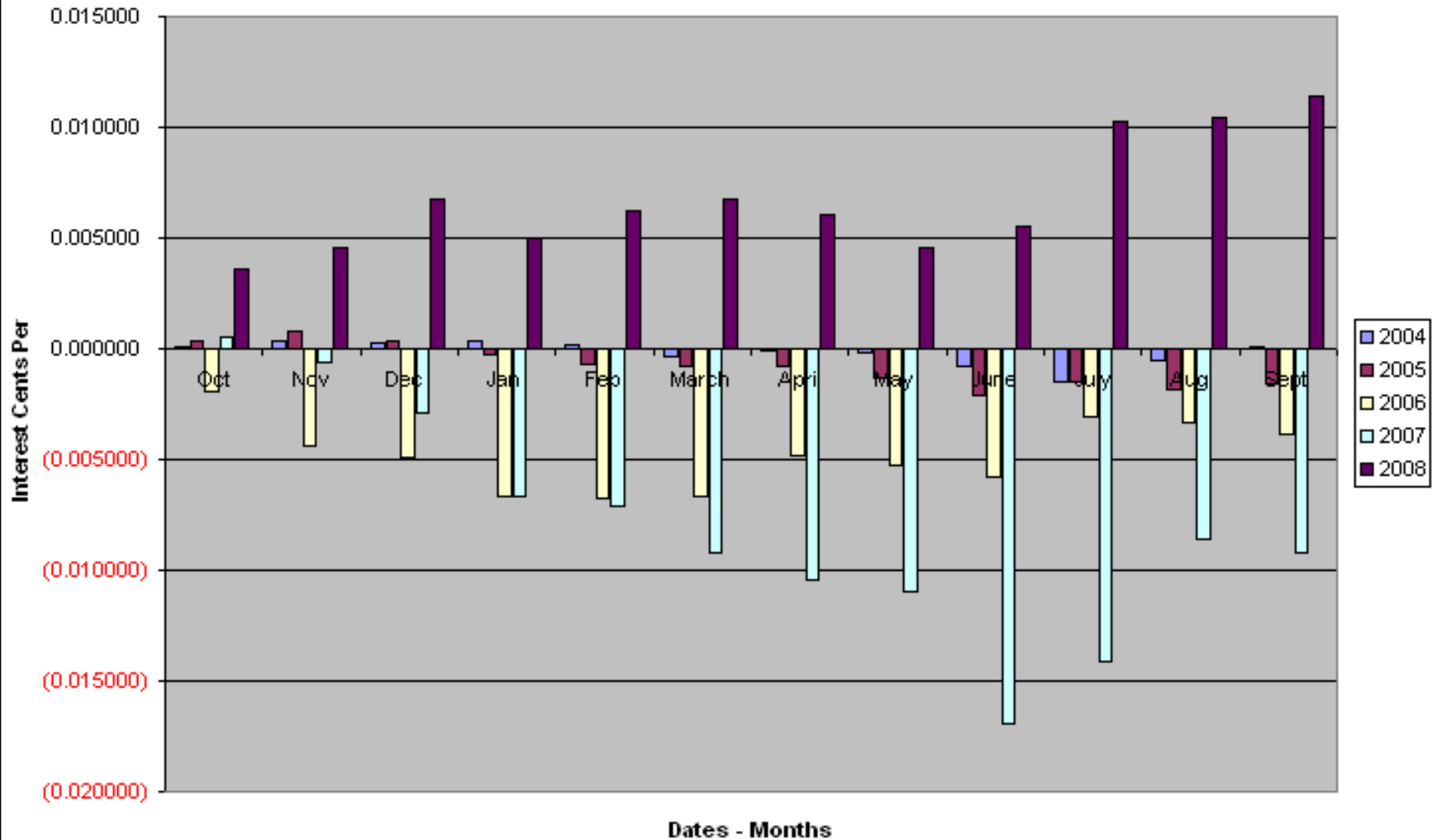
Interest Cost of Margin Calls

| | Interest Rate |
|----------------|----------------|
| | 6% |
| | |
| Corn | |
| Crop Year | Cents per Bu |
| 2004 | (0.002) |
| 2005 | (0.009) |
| 2006 | (0.057) |
| 2007 | (0.097) |
| 2008 | 0.081 |
| | |
| Average | (0.017) |

| | Interest Rate |
|----------------|------------------|
| | 6% |
| | |
| Soybeans | |
| Crop Year | Cents per Bu |
| 2004 | (\$0.027) |
| 2005 | \$0.004 |
| 2006 | (\$0.114) |
| 2007 | (\$0.163) |
| 2008 | \$0.016 |
| | |
| Average | (\$0.057) |

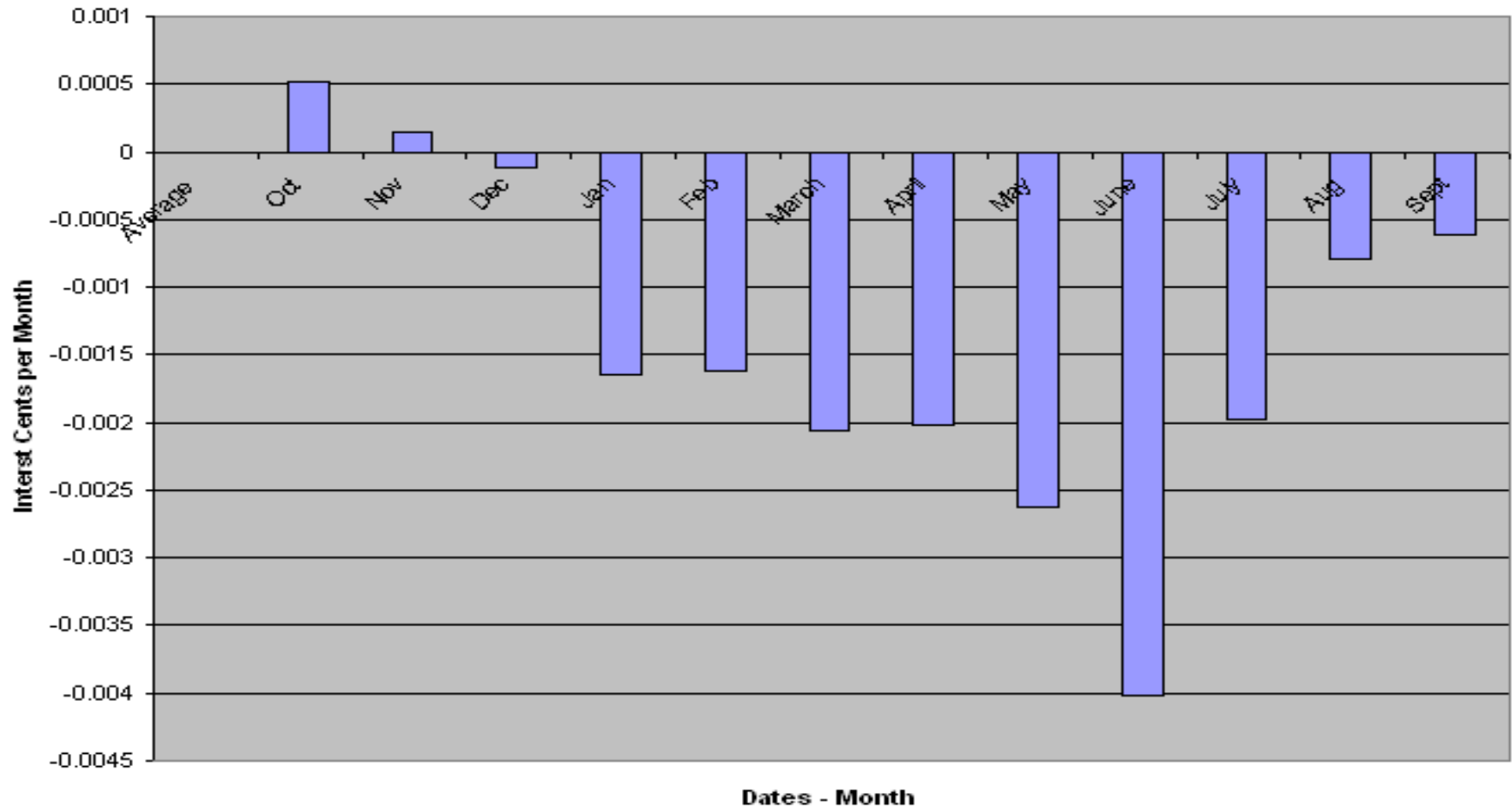
Interest Cost of Margin Calls

Interest Cost Per Month



Interest Cost of Margin Calls

Average Interest Cost 2004-2009



Downside

- Counterparty Risk
- Expense – Nothing is free or without a cost.
- Relationship with current lender(s)
- Time and Effort to get approved
- Your Company may not fit the profile of a counterparty.

Option Hedge

- 600 CALL--8'3--3/1/2010
- Default on Forward Expected 10%
- Risk above \$6.00 dollar per bu CZ0
- $10\% * \$0.083 \text{ cents} = .0083 \text{ cents per bu}$

What's Out There

- Consider Sub Debt / Mezz Debt
- Consider Repo / OTC Margin Swaps
- Consider Option Hedging
- Consider Running Amortizing Swap – VSWAP- Interest on Margin
- Consider JV on New Construction
- Private Funds / Public Funds / Entering the Space
- This is What we Do