TFM360 Dairy
Frequently Asked Questions

TOTAL FARM MARKETING
BY STEWART-PETERSON

What is Total Farm Marketing? Total Farm Marketing (or TFM) began as Stewart-Peterson in 1985. Over the course of its history, Total Farm Marketing's family of companies has focused on helping farmers across the country manage commodity price volatility. We specialize in comprehensive strategies and recommendations on commodities that span a producer's operation.

What is TFM360? TFM360, a product of Stewart-Peterson Inc. (our publishing company), is a comprehensive approach to farm marketing designed to help producers manage price risk and optimize farm marketing decisions. Rather than an emotional and reactionary approach to the market, TFM360 takes a strategic, whole farm approach to farm marketing over multiple years.

What is the risk management philosophy behind the TFM360 recommendations? Our philosophy is grounded in the belief that the most powerful approach for any farm marketing strategy is to lock in favorable prices incrementally. Because a market surprise can have such a negative impact on farms, TFM360 assesses potential scenarios across a range of market conditions to help prepare operations for a variety of market outcomes. Recommendations are analyzed thoroughly before being made.

How does TFM360 utilize a rules-based approach powered by artificial intelligence (AI)? At its core, TFM360 leverages extensive statistical research and advanced AI technology to remove personal bias, ensuring objective, data-driven recommendations. The Rules-Based Approach (RBA) is rooted in Scenario Planning, addressing the inherent human biases that often hinder successful marketing. While human strategy can be influenced by emotion, a systematic, technology-driven approach helps ensure consistent, effective decision-making. TFM360 provides proactive insights and strategies that enable you to make informed, long-term marketing decisions based on up-to-date, impartial data.

What commodities does TFM360 specialize in? Unlike farmers who manage price risk only on what they produce, dairy farmers must address price risk on feed and fuel, major input costs. TFM360 helps manage price risk for milk and feed components such as corn and soybean meal, and fuel.

How do you take risk tolerance into account? TFM360 offers two risk models for farms with exposure to any combination of Class III and Class IV risk, giving you the flexibility to choose the risk level that aligns with your operation's needs. **DairyFixed:** This model uses lower-risk tools like options, offering price certainty with lower capital requirements and less reward in down markets. **DairyFlex:** This model includes flexible tools such as milk plant contracts and futures, providing higher potential rewards but with greater risk and capital requirements.

How much does TFM360 cost? We believe paying for whole farm recommendations, not transactions, offers better potential for long-term customer success. That's why we charge an annual fee for advice. Multiple factors affect the fee. A Total Farm Marketing representative can calculate a fee for you.

Where do I deliver my milk? Continue to deliver your commodity to the destination of your choice. If you are buying feed, you would continue to purchase feed at a supplier of your choice, as well.

How will you communicate with me? We believe that regular, consistent communication is key to successfully implementing your farm marketing strategy. You will receive TFM360 recommendations and market insights through a variety of formats, including email, text, and video. You get to choose how you receive the information. You'll also have access to the TFM360 customer portal, where you may view your sales, purchases, and any futures or options positions, providing a calculated weighted average price for your operation and displaying official recommendations for easy comparison. You'll also receive market reports and strategic insights three times per week to help you stay informed and make timely decisions.

How do I sign up for TFM360? Our team is ready today to get you started on a path to more strategic milk marketing. Contact us at 800.334.9779 Mon.-Fri. from 7:30 to 4:30 CT.

Receive Personal, Customized Guidance Tailored to Your Operation.

A service of our brokerage firm, Stewart-Peterson Group Inc.

An important part of being a good marketer is applying the recommendations to your specific operation, and that typically requires professional guidance and discipline. You may have a brokerage relationship already for this, or you can choose to work with Stewart-Peterson Group Inc., our brokerage firm. Or go at it alone and still use TFM360's intelligent and AI-powered system. **What it would look like to have a relationship with Stewart-Peterson Group Inc.:**

- **Outbound calls at least every 10 days (more as needed).** You determine how frequently you'd like to hear from your consultant—whether that's weekly, bi-weekly, or monthly—and they are available for support Mon.-Fri. from 7:30 a.m. to 4:30 p.m. Central Time. This two-pronged communication approach ensures you receive both data-driven insights from TFM360 and personalized guidance from our experienced consultants, all tailored to your farm's needs.

- **How are our consultants compensated?** We believe the best way to motivate the consultants from our brokerage firm, Stewart-Peterson Group. Inc., first and foremost, is to hire people motivated by customer success. Should you decide to work with our brokerage firm, we will assign a consultant to you that is salaried, and not compensated on any specific marketing tool. Whether cash, futures, or options, your consultant will work to find the tool best suited to you and your operation.

- **You may utilize our brokerage firm as much or as little as you'd like.** Many of our customers find it easier and beneficial to use Stewart-Peterson Group Inc. due to the discipline and structure we bring to the process, and all the follow-up communication that is offered. We will involve your lender upon your request. You determine your lender's level of involvement.

- **You are not required to open a hedge account or trade with our brokerage firm.** If you decide to use a hedge account and place futures or options transactions through our brokerage firm, commissions are $21 round-turn. The amount of money you should plan to have available for marketing depends on the volume of milk you are marketing and the TFM360 model you are using. We recommend establishing a line of credit when beginning the service. Contact us to help determine an appropriate budget.

Protect Your Prices with Dairy Revenue Protection Insurance

TFM360 recommendations include dairy recommendations, with no specific tool named. They will refer to "protecting downside" or "putting a floor" into place on milk. One tool commonly used to accomplish that is Dairy Revenue Protection insurance (DRP). If you would like specific recommendations on DRP, you may work with your current agent, and you're also welcome to work with our agency, SP Risk Services LLC. The vast majority of our customers find it easier and beneficial to work with our agency because of the discipline, structure and convenience.

As a customer of our agency...

- **You will be assigned a DRP insurance agent** (the same person that would serve as your brokerage consultant). This agent will advise you on how to implement the strategy to protect milk prices.

- **Regardless of which agency you use for DRP, your cost is the premium fee for the insurance,** which is set by the USDA's Risk Management Agency (RMA), and is the same at all agencies.

- **You do not need to subscribe to TFM360 to work with our insurance agency.** If you are a producer that doesn't need feed, fuel, cull cattle advice or the customer portal, we can dive deeper into a relationship with our insurance agency only, and what that could look like.