

REDUCED TILLAGE BMP CHALLENGE® 2010 AGREEMENT

Your (Grower) Name: _____

Company Name (if any): _____

Address: _____

City: _____ State: _____ ZIP: _____

Office Phone: _____ Mobile Phone: _____

Fax: _____ SSN or Tax ID: _____

You agree to:

1. Apply your normal tillage practices to a check, or comparison strip located by your crop advisor in each field you enroll (max. of 125 acres/farm) and return the check strip information form to us.
2. Implement a reduced tillage as recommended by your crop advisor to the balance of the field.
3. With your crop advisor, assess yield at harvest and return the completed assessment form to us.
4. If you experience a net income gain, contribute a third of your gain to the CHALLENGE program, up to a maximum of \$6 per acre. This contribution ensures other farmers are able to join the CHALLENGE

In return, we will:

Compensate you for any yield loss due to the reduced tillage practice at \$3.90/bu or \$35.75/ton* for silage, minus your reduced tillage savings. We will use the Purdue WINMAX software to track and calculate reduced tillage savings. Any yield loss will be determined by comparing check strip yield to the yield immediately adjacent to the check strip (See Net Returns Worksheet).

Field name/number(s) and acres/field: _____

Grower Signature: X _____

By signing, you indicate that you have read and accept the terms of the BMP CHALLENGE Agreement.

CERTIFIED CROP ADVISOR INFORMATION

If you do not have a certified crop advisor, we will provide one for you.

Crop Advisor Name: _____

Company Name: _____

Address: _____

City: _____ State: _____ ZIP: _____

Office Phone: _____ Mobile Phone: _____

Email: _____

Certification (circle): NAICC CCA Certification Number: _____

PLEASE RETURN COMPLETED AGREEMENT TO: BMP Challenge, 4510 Regent St. Madison WI 53705, or fax to 608-232-1440.

NOTE: The BMP CHALLENGE Agreement is a commercial service agreement provided by Agflex, an Iowa corporation. Agflex is not an insurance company and does not sell insurance or provide insurance advice. More information on Agflex is available at www.agflex.com or by request to (608) 232-1410.

REDUCED TILLAGE BMP CHALLENGE® Check Strip Information Form

CROP ADVISOR: Return for each field enrolled within one week of planting and no later than June 30, 2010 to BMP Challenge, 4510 Regent St., Madison WI 53705, or fax to 608-232-1440. Only corn crops grown for grain or silage are eligible. Limit: 125 acres per farm.

FOR (Grower Name): _____

Field name or number: _____ **Acres:** _____

Field location. State: _____ **County:** _____ **Section:** _____

Field is enrolled for (circle): No Till Strip Till Ridge Till Other* (describe): _____

*System must leave at least 30% of surface covered with residue after planting.

Reduced Tillage

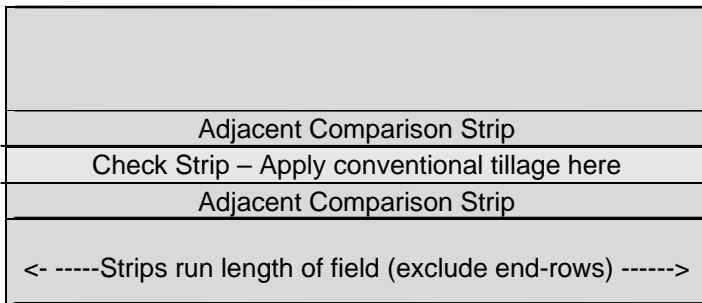
Tillage equipment used and width: _____

Tillage Depth: _____ Estimated percent residue cover after planting: _____

Conventional Tillage Check Strip

Tillage equipment used and width: _____

Tillage Depth: _____ Estimated percent residue cover after planting: _____



At harvest, yield on the check strip will be compared to the yield on the one or both of the immediately adjacent comparison strips.

← Check strip = 40' to 80' wide

← Comparison strip, same size as check strip, one on either side of the check strip.

Check strip must be between 40 and 80 feet in width and run the length of the planting row, excluding end rows. Place in a representative area (see protocol on reverse).

Check strip location and identification (Complete A or B):

Check strip width: _____ ft. Length (exclude end-rows): _____ ft.

A. [] GPS Coordinates Corner 1: _____ Corner 2: _____
 Corner 3: _____ Corner 4: _____

B. [] Distance/direction from landmark Corner 1: _____ Landmark: _____
 Corner 2: _____ Landmark: _____
 Corner 3: _____ Landmark: _____
 Corner 4: _____ Landmark: _____

Crop Advisor Certification:

I have located the check strip in this management unit following the attached protocol.

Signed: _____ Date: _____

REDUCED TILLAGE BMP CHALLENGE® PROTOCOL 2010 – FOR CROP ADVISOR USE

Follow this protocol in addition to any other services the farmer may have contracted with you to provide.

STEP 1. Follow your state's Extension-recommended procedures for selecting and recommending a reduced tillage system for the participating farmer. Recommended procedures may vary by state, soil type and other conditions. The reduced tillage system must result in more than 30% of the production area covered with residue from the previous crop after planting.

Reference documents:

Conservation Tillage: A Checklist for U.S. Farmers. Conservation Technology Information Center. <http://www.ctic.purdue.edu/Core4/CT/Checklist/Checklist.html>

Tillage Best Management Practices for Water Quality Protection in Southeastern Minnesota. <http://www.extension.umn.edu/distribution/cropsystems/DC7694.html>

A Dozen Do's for Successful No-Till Corn Following Soybeans. <http://www.ces.purdue.edu/extmedia/AY/AY-313.pdf>

STEP 2. Following the check strip placement procedure, complete the Check Strip Information Form no later than one week after planting or June 30, 2010, and submit to the BMP CHALLENGE along with a copy of an aerial photo with field marked and check strip drawn in.

STEP 3. Assist the farmer in locating, selecting and setting up the appropriate tillage equipment. Be present when the field is tilled for both reduced and conventional tillage areas. Verify that the equipment is working properly and at the depth and width specified on the Check Strip Information Form.

STEP 4. Revisit the farmer and assess production on the field at least two additional times during the growing season:

1. Within two weeks of emergence. Assess stand, check for any other issues.
2. At V5-V6 stage. Assess weed management, nutrition, check for any other issues.

Based on your assessment of the production, make any recommendations necessary to respond to tillage-related conditions in the participating field. Make note of the date of your visits, any pertinent observations and recommendations. You will need to include those notes when you submit your yield/returns assessment after harvest.

STEP 5. Revisit the farm at harvest and supervise farmer harvest of the conventional (check) and reduced tillage production areas as per the protocol we will provide you and complete the Service Loss Assessment Worksheet we will also provide.

STEP 6. Enter tillage-related information on the reduced tillage and check production areas into the Purdue MAX software and print out the Production Cost Worksheet for areas.

STEP 7. Submit completed Worksheets to the BMP CHALLENGE.

REDUCED TILLAGE BMP CHALLENGE® - CHECK STRIP PLACEMENT PROCEDURE

Establish one check strip in each enrolled field. The check strip must be 40 to 80 feet wide and run the length of the field, excluding any end-rows. Leave room for immediately adjacent strips on either side of the check strip equal in length and width to the check strip. One or both of these strips will be harvested and compared to yield on the check strip.

NOTE: Check strip should be wide enough to allow the farmer to harvest at least three passes. For example, if the farmer has an eight-head harvester and plants in 30-inch rows, the check strip must be at least 60 feet wide. This will allow three passes (8 rows each) of the check strip to be harvested for the yield comparison.

Step 1. Confirm with the farmer what field(s) will be enrolled.

Step 2. Determine the approximate location of the check strip and adjacent BMP strips on a map. The check strip and adjacent strips must be located in a uniform portion of the field. If possible, avoid areas that have variable soil types, slopes, irregular boundaries, variable fertility and/or tile lines running parallel to the row.

If it is not possible to avoid non-uniform areas, take the following steps:

- (i) If a slope, rocky area or any other feature breaks up the uniformity of the field, locate the strips so they run across the non-uniformity such that the check strip and adjacent BMP strips are affected equally by it.
- (ii) If the field has a small outcropping or a depression, avoid putting these in the check strip altogether. Locate the check and BMP strips on one side or the other of these features.
- (iii) If the field has two or more soil types, place the strips such that they cross the different soil types at right angles where possible. Make sure that the various soil types affect each of the strips equally.

Step 3. Travel to the location of the enrolled acres and make any adjustments in location needed to make the strips uniform. Identify the actual physical location of the check strip with Global Positioning System (GPS) coordinates and/or a measurement from an identifiable landmark (field corner, boundary marker, etc.).

Step 4. Mark the strip locations for the farmer with flags or other appropriate markers.

Step 5. Complete the Check Strip Information Form and submit to the TILLAGE BMP CHALLENGE. Thank you!

Contour Strips - If the acres to be covered are in contour strips that are not wide enough to contain both a check strip and two adjacent BMP strips, select one strip that best represents the productive capabilities of the covered acres and that is appropriate for use as a check strip. Split the contour strip in half and have the farmer apply the BMP rate of fertilizer on one half of the contour strip. The other half will serve as the check strip. Alternatively, the crop advisor may place the check strip in one contour strip, and the BMP strips in immediately adjacent contour strips, provided the three contour strips are reasonably uniform and representative of the balance of the field.

CORN REDUCED TILLAGE BMP CHALLENGE®
Net Returns Assessment Worksheet

Thank you for participating in the BMP CHALLENGE! Use this form to record and report your yields and net returns. Please follow the procedures outlined in this worksheet to ensure the most accurate results.

GROWER INFORMATION

Your (Grower) Name: _____

Company Name (if any): _____

Address: _____

City: _____ State: _____ ZIP: _____

Office Phone: _____ Mobile Phone: _____

Fax: _____ SSN or Tax ID: _____

Email: _____

YOUR ADVISOR WHO WILL OBSERVE THE HARVEST:

Crop Advisor Name: _____

Company Name: _____

Address: _____

City: _____ State: _____ ZIP: _____

Office Phone: _____ Mobile Phone: _____

Certification (circle if certified): NAICC CCA Certification Number: _____

Email: _____

Getting Started

1. Wait until the crop has reached physiological maturity (black layer), but no later than October 15.
2. Contact the crop advisor or other ag professional who helped you with your tillage plan, set up your check strip and submit your initial BMP CHALLENGE Service Agreement. Make arrangements to have this person present with you when you harvest the BMP CHALLENGE field(s) and perform the yield comparison.
3. Arrange to have:
 - a. a measuring wheel and
 - b. a yield monitor, weigh wagon or portable or stationary scales available to make the yield comparison.
4. Complete and submit this entire worksheet to the BMP CHALLENGE regardless of your results. Your results are confidential and will not be shared with others except in summary form and will not include any information identifying you or your fields.

Please submit your results on or before October 31, 2010 to:

BMP CHALLENGE
4510 Regent St.
Madison WI 53705
Fax 608-232-1440

As you assess your field(s), please remember: The BMP CHALLENGE is not designed to cover reduction in net economic returns:

- Due to any failure to provide adequate care for the crop;
- Due to damage to the crop that is caused intentionally;
- Due to non-compliance with the BMP CHALLENGE service agreement;
- Due to any other causes, even if the damage may have occurred in conjunction with reduced tillage;
- Due to damage caused, directly or indirectly, by environmental pollutants including improper usage or application of agricultural chemicals, whether accidental or intended; or
- That is covered by any contract of insurance or recoverable under a manufacturer or seller warranty.

The BMP CHALLENGE is administered by Agflex, a commercial service company. Agflex is not an insurance company, nor an insurance agent. Agflex does not offer nor sell insurance or provide insurance advice. Agflex and BMP CHALLENGE services are not covered under any state insurance guaranty fund. The Agflex BMP CHALLENGE service is only part of a grower's comprehensive crop management program which may also include the purchase of state or federal crop insurance from a licensed and authorized insurance agent. Applicable Law: This is a commercial contract and shall be deemed written in, and governed under, the laws of the state in which the acreage is located. Dispute Settlement: Unless prohibited by law in the state in which this service agreement is issued, all related disputes will be settled by arbitration under rules of the American Arbitration Association.

Corn Reduced Tillage BMP CHALLENGE® Net Returns Assessment Worksheet (continued)
(Complete this form for each field enrolled.)

Grower Name: _____

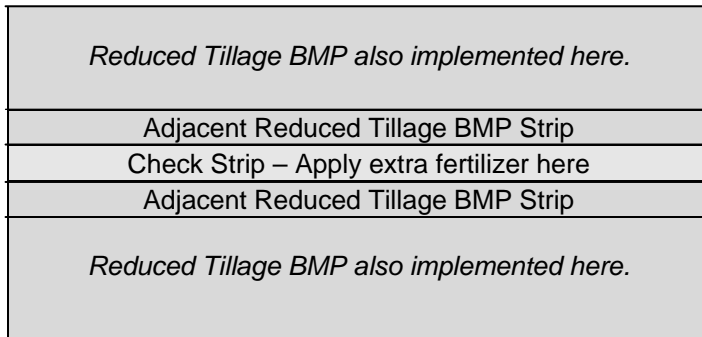
Acres: _____

Field Name: _____

Part 1. Initial Field Assessment

Your Check Strip should be between 40 and 80 feet in width and run the length of the planting row, excluding end rows. Your Reduced Tillage BMP Strips are those strips immediately adjacent to the check strip, each with the same number of rows as the check strip.

IMPORTANT: Even though you implemented the BMP across the entire field, except for the Check Strip, you will perform the yield comparison only on the adjacent BMP Strips to reduce the influence within-field variability on your results.



At harvest, yield on the Check Strip will be compared to the yield on the one or both of the immediately adjacent Reduced Tillage BMP Strips.

← Check Strip = 40' to 80' wide
 ← Reduced Tillage BMP Strip, same approximate size as Check Strip with an equal number of rows as the Check Strip, one on either side of the Check Strip.

<- Strips run length of field (exclude end rows) ->

Please check the field for the following visual indicators of confounding factors and follow the suggestions provided for each.

A. Lodging Assessment - If lodging and broken stalks are evident, is the damage distributed equally across the Check Strip and BMP Strips?

Yes No

If no, check the box(es) for the area(s) where the lodging or broken stalks are located*.

Check Strip BMP Strips Remainder of the management unit

If possible, avoid rows that have disproportionate lodging and broken stalks when completing the yield assessment.

B. Weed Pressure Assessment

1. Is there heavy weed pressure in the field? Yes No

2. If yes, is the weed pressure distributed equally across the field?

Yes No

If no, check the box(es) for the area(s) where the heavy weed pressure is concentrated.

Check strip BMP strips Remainder of the field

If affected plants are concentrated in the BMP Strips but not apparent in the remainder of the field, consider completing the yield comparison in rows immediately adjacent to the BMP Strips.

C. Plant Population Assessment - Visually assess plant population in the field, and in particular, in the Check and BMP Strips. If the Check Strip and BMP Strips appear to have different plant populations, perform the following assessment. If the Strips appear to have the same plant populations, move to D. Nitrogen Placement Assessment.

1. Measure 17.5 feet along a planted row selected at random within the Check Strip.
2. Count and record the number of plants present along the measured row.
3. Repeat the process for a total of five 17.5 foot row segments within the Check Strip, and five 17.5 foot row segments within the BMP Strips. Record your results below and complete the calculations.
4. This information will be used to indicate impact of tillage systems on plant populations. Perform the yield and net returns assessment as per the instructions on this Worksheet, regardless of results here.

	Number of corn plants per 17.5 foot row segment					Total	Plant Population (Total x 1000)	
	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5			
Check Strip								
BMP Strip One								
BMP Strip Two								
Difference (check strip population minus BMP Strip population)							<u>Strip 1</u>	<u>Strip 2</u>
Percent Difference (difference divided by BMP Strip plant population)							<u>Strip 1</u>	<u>Strip 2</u>

D. Nitrogen placement assessment

1. Are there areas in the field where plants are noticeably stunted or shorter, and possibly affected by chlorosis (yellow leaves) or firing (dead or dying leaves) during the growing season? Yes No
2. If yes, are the affected plants distributed equally across the field? Yes No
 If no, check the box(es) for the area(s) where the affected plants are located.
 Check Strip BMP Strips Remainder of the field

If affected plants are concentrated in the BMP Strips but not apparent in the remainder of the field, consider completing the yield comparison in rows immediately adjacent to the BMP Strips.

Corn Reduced Tillage BMP CHALLENGE® Net Returns Assessment Worksheet (continued)
 (Complete this form for each field enrolled.)

Grower Name: _____
Field Name: _____ **Acres:** _____

Part 2. Yield Assessment (round all numbers except Moisture Factor to tenths)

Step 1: Indicate your assessment method (circle one):

Yield Monitor Weigh Wagon Portable Scales Stationary Scales

Step 2: Harvest at least three passes down the Check Strip and three passes down one or both of the Reduced Tillage BMP Strips. Measure each area harvested and make the entries below. If the Check Strip is not wide enough to accommodate three equipment widths, you may harvest only two equipment widths.

	Check Strip	BMP Strip
1. Width of harvested strips	feet	feet
2. Length of harvested strips	feet	feet
3. Total area (item 1, width, multiplied by item 2, length)	sq. feet	sq. feet
4. Total acres (item 3, total area, divided by 43,560)	acres	acres
5. Gross weight of grain harvested	lbs.	lbs.
6. Percent moisture %, if in excess of 15% (15% to 40%)	%	%
7. Moisture Factor (if moisture is above 15%, from attached Corn Moisture Adjustment Table)		
8. Adjusted grain production (divide item 5, grain gross weight, by 56 and multiply the result by item 7, moisture factor)	bu.	bu.
9. Per acre yield (bushels, divide item 8, adjusted grain production, by item 4, total acres)	bu./acre	bu./acre

Corn Moisture Adjustment Factor Table

JULY 1998 - FCIC-25080

Whole Moisture Percent	Tenths of Percent - Moisture									
	0	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9
15	1.0000	0.9988	0.9976	0.9964	0.9952	0.9940	0.9928	0.9916	0.9904	0.9892
16	0.9880	0.9868	0.9856	0.9844	0.9832	0.9820	0.9808	0.9796	0.9784	0.9772
17	0.9760	0.9748	0.9736	0.9724	0.9712	0.9700	0.9688	0.9676	0.9664	0.9652
18	0.9640	0.9628	0.9616	0.9604	0.9592	0.9580	0.9568	0.9556	0.9544	0.9532
19	0.9520	0.9508	0.9496	0.9484	0.9472	0.9460	0.9448	0.9436	0.9424	0.9412
20	0.9400	0.9388	0.9376	0.9364	0.9352	0.9340	0.9328	0.9316	0.9304	0.9292
21	0.9280	0.9268	0.9256	0.9244	0.9232	0.9220	0.9208	0.9196	0.9184	0.9172
22	0.9160	0.9148	0.9136	0.9124	0.9112	0.9100	0.9088	0.9076	0.9064	0.9052
23	0.9040	0.9028	0.9016	0.9004	0.8992	0.8980	0.8968	0.8956	0.8944	0.8932
24	0.8920	0.8908	0.8896	0.8884	0.8872	0.8860	0.8848	0.8836	0.8824	0.8812
25	0.8800	0.8788	0.8776	0.8764	0.8752	0.8740	0.8728	0.8716	0.8704	0.8692
26	0.8680	0.8668	0.8656	0.8644	0.8632	0.8620	0.8608	0.8596	0.8584	0.8572
27	0.8560	0.8548	0.8536	0.8524	0.8512	0.8500	0.8488	0.8476	0.8464	0.8452
28	0.8440	0.8428	0.8416	0.8404	0.8392	0.8380	0.8368	0.8356	0.8344	0.8332
29	0.8320	0.8308	0.8296	0.8284	0.8272	0.8260	0.8248	0.8236	0.8224	0.8212
30	0.8200	0.8180	0.8160	0.8140	0.8120	0.8100	0.8080	0.8060	0.8040	0.8020
31	0.8000	0.7980	0.7960	0.7940	0.7920	0.7900	0.7880	0.7860	0.7840	0.7820
32	0.7800	0.7780	0.7760	0.7740	0.7720	0.7700	0.7680	0.7660	0.7640	0.7620
33	0.7600	0.7580	0.7560	0.7540	0.7520	0.7500	0.7480	0.7460	0.7440	0.7420
34	0.7400	0.7380	0.7360	0.7340	0.7320	0.7300	0.7280	0.7260	0.7240	0.7220
35	0.7200	0.7180	0.7160	0.7140	0.7120	0.7100	0.7080	0.7060	0.7040	0.7020
36	0.7000	0.6980	0.6960	0.6940	0.6920	0.6900	0.6880	0.6860	0.6840	0.6820
37	0.6800	0.6780	0.6760	0.6740	0.6720	0.6700	0.6680	0.6660	0.6640	0.6620
38	0.6600	0.6580	0.6560	0.6540	0.6520	0.6500	0.6480	0.6460	0.6440	0.6420
39	0.6400	0.6380	0.6360	0.6340	0.6320	0.6300	0.6280	0.6260	0.6240	0.6220
40	0.6200	0.6180	0.6160	0.6140	0.6120	0.6100	0.6080	0.6060	0.6040	0.6020

Corn Reduced Tillage BMP CHALLENGE® Net Returns Assessment Worksheet (continued)
 (Complete this form for each field enrolled.)

Grower Name: _____

Field Name: _____

Part 3. Tillage Cost Calculation. Estimate tillage costs from for each type of fertilizer applied to the participating field by using the Purdue WinMax Software program or justify your cost estimate if from another source. List all operations related to tillage practices, and especially those that differ between the Check Strip and Reduced Tillage BMP Acres.

CHECK STRIP TILLAGE-RELATED OPERATIONS		
List all tillage operations (e.g., chisel plow pass, tandem disk pass, field cultivator pass, planting pass) applied to Check Strip	Cost estimate source if not from Purdue WinMax Software	Cost per acre
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
Total tillage cost per acre, Check Strip: \$		
REDUCED TILLAGE BMP ACRES TILLAGE-RELATED OPERATIONS		
List all tillage operations (e.g., strip till setup pass, planting pass) applied to Reduced Tillage BMP acres	Cost estimate source if not from Purdue WinMax Software	Cost per acre
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
Total tillage cost per acre, Reduced Tillage acres: \$		

Corn Reduced Tillage BMP CHALLENGE® Net Returns Assessment Worksheet (cont.)
 (Complete this form for each field enrolled.)

Grower Name: _____

Field Name: _____

Acres: _____

Part 4. Net Returns Calculation

Tillage Cost Savings Calculation		
1. Tillage cost per acre, Check Strip (from Part 3. Tillage Costs)	\$	per acre
2. Tillage cost per acre, Reduced Tillage acres (from Part 3. Tillage Costs)	\$	per acre
3. Net tillage cost savings (item 1 minus item 2)	\$	per acre
Net Economic Return Calculation		
4. Reduced Tillage BMP Strip yield per acre (from Part 2. Yield Assessment)		bu. per acre
5. Check Strip yield per acre (from Part 2. Yield Assessment)		bu. per acre
6. Value of BMP Strip yield (Line 4 times \$3.90/bu)	\$	per acre
7. Value of Check Strip yield (Line 5 times \$3.90/bu)	\$	per acre
8. Value differential (Line 6 minus item 7)	\$	per acre
9. Net economic return (Line 3 plus item 8)	\$	per acre
If Line 9 is greater than zero, no performance guarantee payment is needed. Go to farmer contribution, Line 11.		
Performance Guaranty Payment Calculation (Use only if Line 9 is less than zero)		
10. Performance guarantee payment (Enter the absolute value of Line 9)	\$	per acre
Total performance guarantee payment (Line 10 times number of acres)	\$	
Farmer Contribution Calculation (Use only if Line 9 is greater than zero)		
11. Farmer contribution (Enter Line 9 x 0.33)	\$	per acre
12. Maximum farmer contribution	\$	6.00 per acre
Total farmer contribution (Enter lesser of Lines 11 and 12, times the number of acres)	\$	

If you owe a farmer contribution, please forward payment with your entire completed Worksheet (see next page). Your contribution allows other farmers to participate in the BMP CHALLENGE.

Corn Reduced Tillage CHALLENGE® Net Returns Assessment Worksheet (continued)
(Complete this form for each field enrolled.)

Part 5. Grower and Advisor Certification

Step 1: Grower and advisor signatures.

Advisor: Before obtaining grower's signature, review all entries on this worksheet with the grower, explain procedures and calculations.

We, the undersigned, certify that this completed Worksheet, Parts 1-5, is complete and correct to the best of our knowledge.

Grower Signature: _____

Date: _____

Advisor Signature: _____

Date: _____

Step 2: Submit the completed form by mail or fax to:

BMP CHALLENGE
4510 Regent St.
Madison WI 53705
Phone 608-232-1425, Fax 608-232-1440

Step 3: If you owe a contribution (from Part 4. Net Returns Calculation), please forward a check made out to Agflex with your completed worksheet.

Step 4: If a performance guaranty payment is due to you, please select from the following options:

Please mail my payment to the address on the first page of the worksheet.

Please mail my payment to the following address:

No payment is necessary. Please contribute my payment to the BMP CHALLENGE program.

Please retain a copy of the entire worksheet for your records.

THANK YOU FOR PARTICIPATING IN THE BMP CHALLENGE!