

US Agriculture, LLC

Part 2A of Form ADV The Brochure

July 18, 2016

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This brochure provides information about the qualifications and business practices of US Agriculture, LLC. If you have any questions about the contents of this brochure, please contact us at 317-927-8300 or anatole.pevnev@us-agriculture.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

The Adviser is registered as an investment adviser with the SEC. Registration as an investment adviser with the SEC or with any state securities authority does not imply that the Adviser or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or in any other business.

Additional information about US Agriculture, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

US Agriculture, LLC (“USAG” or “we” or “us”) submitted its initial Part 2A of Form ADV when it applied for registration with the SEC in March 2016. This amendment provides additional disclosures related to certain of Howard Halderman’s outside business activities and the services such businesses may provide to USAG and its clients. Please see Item 10 within this Brochure for additional information.

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Item 4. Advisory Business

USAG is an investment advisor with its principal place of business located in Indianapolis, Indiana. We have been in business since 2015, with Hageman Investments, LLC and Fred Howard Halderman as the owners of the firm.

We provide non-discretionary advice to separately managed accounts (the “Clients”) with respect to certain investments in agriculture and farmland. We develop custom investment programs and have the ongoing responsibility to make recommendations, based upon the needs of each Client. These services are provided to each Client in accordance with a written investment management agreement. Clients may impose reasonable investment restrictions.

Client accounts are specifically designed to provide clients with exposure to real estate and farmland investments. Therefore, these accounts are intended to be a part of larger diversified investment strategy and not a single holistic investment account.

In the future, we may offer an array of agriculture related investment strategies through open-end and closed-end investment funds.

USAG manages \$211,603,574 on a non-discretionary basis for its Clients.

Item 5. Fees and Expenses

Fees will be calculated in accordance with formulas specified in any Client’s advisory agreement. Compensation arrangements are specifically negotiated with each Client.

Account minimums for all services are negotiable based upon certain criteria (e.g. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). However, we typically require \$10 million in initial committed capital from each Client.

If we determine to offer investment strategies through open-end and closed-end investment funds, those fees will be calculated in accordance with each fund’s offering documents. Those fees may not be represented in this section until the next annual amendment of this Brochure.

Advisory Fees

Clients pay an advisory fee charged as a percentage of called and/or committed capital. The annual advisory fee generally ranges from 0.50% to 1.5%. The advisory fees are typically charged in advance of each quarter. Depending on the particular arrangement with each Client, we will either invoice Clients or upon approval, directly debit their accounts for advisory fees.

Clients may terminate the advisory agreement by providing us with a written notice at our principal place of business. Notice requirements typically range from 30 to 90 days, as specified in each advisory agreement. In the event that committed and/or invested capital is reduced during the quarter, the reduction of fees, if called for in the advisory agreement, would be deducted from the next recurring advisory fee payment due to USAG.

Performance Fees

Clients may pay an incentive fee based on profits above a threshold specified in the advisory agreement and calculated in accordance with the formula specific in the advisory agreement. The annual incentive allocations generally range from 10% to 20%. Incentive fees are paid at the end of the contract term or at an earlier date agreed upon in the advisory agreement.

Expenses

In addition to the advisory fees, Clients are also responsible for all transaction and custodial fees incurred as part of their account management. Please refer to Item 12 (Brokerage Practices) of this Brochure for a discussion of the Adviser's brokerage practices.

Item 6. Performance-Based Fees and Side-By-Side Management

As described in Item 5 (Fees and Compensation) above, USAG receives Performance Fees from certain Clients. Clients entering into an advisory agreement must either demonstrate a net worth of at least \$2,000,000 (excluding the value of their primary residence) or have \$1,000,000 under management with us in order to qualify for a performance-based fee arrangement.

Clients should be aware that a performance-based fee arrangement may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Furthermore, we have an incentive to favor accounts that pay higher performance-based fees because of greater potential compensation we may receive from these accounts. Since we endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and its employees to earn more compensation from advisory clients who pay performance-based fees or pay higher performance-based fees;
2. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
3. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
4. We have implemented policies and procedures for fair and consistent allocation of investment opportunities among all client accounts (typically investment opportunities will be allocated among clients on a rotational basis, subject to pre-existing contractual commitments); and
5. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients and equitable treatment of all clients, regardless of the fee arrangement.

Item 7. Types of Clients

As noted above, USAG provides investment advice to separate accounts. This may include accounts for Pension funds, sovereign wealth funds, investment companies, and high net worth individuals.

We typically require \$10 million in initial committed capital from each client.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

The following is a summary of the methods of analysis and investment strategies taken by USAG when providing investment advisory services to its Clients. This section also includes a description of the material risks associated with investing in these strategies. Prospective clients and existing Clients are advised to review the offering materials for the full details on each strategy and the associated risks.

Method of Analysis and Investment Strategies

US Agriculture utilizes a quantitative and qualitative approach to asset analysis. The analysis focuses on a review of economic factors that will drive the long-term sustainability of the assets return potential.

These quantitative factors include the following:

- Commodity Prices
- Yield/Production Potential
- Operating Costs
- Asset Appreciation Potential

In addition, a qualitative analysis of the investment opportunity is completed to ensure the target acquisition has the appropriate characteristics to be competitive in the marketplace long term. These qualitative factors include:

- Soil quality
- Water quantity and quality
- Access to markets
- Crop varieties and respective age (permanent plantings)
- Condition of fixed assets

All of the above factors combined help to drive an investment's internal rate of return over the long run.

Analysis Risk Factors:

- Crop yields and prices are volatile in nature and could be lower than modeled and forecasted. A reduction in these variables will have a direct impact on the income potential of the investment.
- Import and export regulations can impact the ability of commodity products to flow freely in the world markets. These restrictions can lead to imbalances in supply and demand that are unfavorable for any particular investment, depending on the region and crops grown.
- Irrigation water risk can be an issue for properties that rely on a fresh water supply provided by natural underground aquifers. The lack of regulation in some regions has caused water levels to drop which has reduced the availability of water for crop production. The lack of quality water can be a risk factor as well and is mitigated through a thorough due diligence process prior to acquisition.
- Weather is always a risk in crop production. Too much rain, not enough rain, wind, and hail all create issues that impact production agriculture. US Agriculture will evaluate every situation to determine if crop insurance is necessary to mitigate these risks.
- Counter party risk is present when properties are leased under passive rent structures. These lease structures require a tenant to pay a fixed amount for the year in order to have access to farm on the client's property. A missed payment can have a large impact on current returns for the year. A thorough review of a tenant's financial position can help to mitigate this risk.

- Government Regulations and changes in agriculture policy may have a material impact on the income and appreciation potential of assets held in the portfolio. These changes can result in a negative, neutral, or positive change and are difficult to forecast in advance.

Investment Strategies:

USAG seeks to acquire properties for its Clients that are appropriately positioned to take advantage of the macroeconomic and microeconomic issues affecting the agriculture industry. These factors include any imbalance in supply and demand of commodity products at both the world and local level. Properties targeted for acquisition should provide the potential to create economies of scale in the production process in order to be a cost leader in the industry. The process to implement this strategy is as follows:

1. Identify attractive commodities based on world supply and demand factors
2. Identify regions that have the best combination of qualitative and quantitative characteristics to competitively produce commodities identified in item 1.
3. Identify localized regions that have the most favorable access to markets and tenant competition.
4. Target properties in the region identified that can be acquired for the most favorable terms.
5. Source local property management that continually seeks to add value to the asset.
6. Continually review performance to ensure client's goals are being met.

This strategy is a long-term strategy given the illiquid nature of the investment and the transaction costs associated with the acquisition of a target property.

Investment Risk Factors:

- Unfavorable shift in the supply and demand for food, fiber, and fuel commodities leading to lower than expected returns.
- Inability to create economies of scale due to a lack of potential investment opportunities.
- Government regulation restricting corporate ownership of farmland in certain states, reducing the potential area for geographic diversification.
- Unforeseen changes in government regulations that negatively impact the commodities produced, the use of the property, and/or the marketing opportunities.
- Unexpected need to exist an illiquid investment in a short time frame requiring the asset to be sold at a discounted price.
- Significant changes in the global financial markets that could lead to unfavorable changes in interest rates, access to credit, and or currency valuations.

Investments in agriculture and farmland are highly speculative investment and are not intended as a complete investment program. This strategy is designed only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment and who have a limited need for liquidity in their investment.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the adviser or the integrity of the adviser's management. Neither USAG nor any of its officers, directors, employees or other management persons, have been involved in any legal or disciplinary events that would require disclosure in response to this Item.

Item 10. Other Financial Industry Activities and Affiliations

USAG is related by common ownership and/or control to Halderman Farm Management Service, Inc. (hereinafter, “HFMS”), a property management firm, and Halderman Real Estate Services, Inc. (hereinafter, “HRES”), a retail real estate brokerage and appraisal service provider firm. USAG may utilize these related entities for access to potential investments in the marketplace. USAG may engage HFMS and/or HRES for services related to real estate transactions or the management of current real property assets in clients’ portfolios.

No referral fees of any kind will be exchanged among any of the above-described entities.

Hageman Realty, Inc. (a real estate brokerage) may be utilized by USAG for access to potential investments in the marketplace or for services related to real estate transactions. Hageman Realty, Inc. is owned by a member of Steve Hageman’s immediate family.

No referral fees of any kind will be exchanged among the above-described entity.

Nonetheless, this affiliation presents a potential conflict of interest, to the extent that USAG, employees, their family members, or other affiliated persons may receive additional direct or indirect compensation as a result of a related entity providing additional services to Clients.

Additionally, potential conflicts of interest may also arise to the extent that certain non-advisory activities may require a significant time commitment from our employees, thus limiting the amount of time they can dedicate to management and maintenance of client investment portfolios.

Since we endeavor at all times to put the interest of our Clients first as part of our fiduciary duty as a registered investment adviser and take the following steps to address this conflict:

1. We disclose to Clients and prospective clients the existence of all material conflicts of interest;
2. We disclose to Clients and prospective clients that they are not obligated to use the services of our affiliates, unless the discretion to select transaction intermediaries has been granted to us;
3. We do not pay or collect referral fees from any related persons or entities;
4. We monitor compensation paid to any affiliates to ensure that it is competitive in a given market segment;
5. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
6. We periodically monitor all outside employment activities and affiliations to verify that any conflicts of interest continue to be properly addressed by our firm;
7. To protect Client personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We restrict access to Client non-public information to those employees, affiliates, and vendors who need to know that information to service the Client account; and

8. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Item 11. Code of Ethics, Participation or Interest in Fund Transactions and Personal Trading

High ethical standards are essential for the success of USAG and to maintain the confidence of the Funds and Investors. USAG is of the view that its long-term business interests are best served by adherence to the principle that Fund and Investor interests come first. USAG has a fiduciary duty to its Clients, which requires individuals associated with USAG to act solely for the benefit of Clients. Potential conflicts of interest may arise in connection with the personal trading activities of individuals associated with advisers.

In recognition of USAG's fiduciary obligations to its Clients, and USAG's desire to maintain its high ethical standards, USAG has adopted this Code of Ethics containing provisions designed to: (i) prevent improper personal trading by Employees; (ii) prevent improper use of material, non-public information about recommendations made by USAG or holdings of its Clients; (iii) identify conflicts of interest; and (iv) provide a means to resolve any actual or potential conflict in favor of Clients.

USAG generally prohibits Employees from participating in investments contemplated for Clients. All employees are required to report their personal securities transactions to the Chief Compliance Officer ("CCO"). USAG also requires pre-clearance before purchasing an IPO or limited offering (i.e., private placement), requires periodic reporting of Employees' personal securities transactions and holdings, and requires prompt internal reporting of Code of Ethics violations.

USAG may utilize a restricted list which will include a list of securities that, for business or legal reasons, employees may not transact in for a specified time period. Any trading activity with respect to a security or a derivative thereof on the restricted list must be pre-cleared and approved in writing by the CCO.

USAG's Code of Ethics applies to all employees. Further, employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

A copy of USAG's Code of Ethics is available to current Clients and prospective clients upon request.

Item 12. Brokerage Practices

USAG does not have any formal or informal soft-dollar arrangements and does not receive any soft-dollar benefits.

USAG is responsible for all parts of the investment cycle, including deal origination, investment decision-making, deal negotiation and transaction structuring, portfolio management (the act of overseeing the investments that we have made) and exit strategies.

Each direct investment is carefully structured through negotiations by employees as well as various professionals engaged by the firm to facilitate a particular transaction, as appropriate. These professionals may include real estate brokers, attorneys, accountants, consultants, appraisers and due diligence professionals, among others. USAG may utilize the expertise of these professionals in evaluating each transaction, including negotiating the most favorable pricing and other terms for the transaction under the circumstances. Typically, USAG is granted the discretion to select deal intermediaries and professionals

in the advisory agreements. Such transactions are generally discreetly negotiated deals which do not involve the participation of an investment bank or broker dealers.

As noted above, USAG has implemented policies and procedures for fair and consistent allocation of investment opportunities among all Client accounts. Investment opportunities are offered on a rotational basis to Clients. When an opportunity is presented to a Client and accepted, that Client will be last in line to accept the next opportunity. However, if a Client does not accept an investment, the investment will be offered to the next Client in line.

Steve Hageman along with his heirs, successors, and assigns are provided with a right of first refusal to purchase assets that are located within the following townships in Indiana due to their proximity to his existing operations before they are offered to any Client:

- Gilboa Township, Benton County, Indiana
- Pine Township, Benton County, Indiana
- Union Township, Benton County, Indiana
- Grant Township, Newton County, Indiana
- Carpenter Township, Jasper County, Indiana
- Jordan Township, Jasper County, Indiana
- Monon Township, White County, Indiana
- Princeton Township, White County, Indiana
- West Point Township, White County, Indiana

Any asset located in the townships listed above that are not purchased by Mr. Hageman, his heirs, successors, or assigns may be offered to Client's based on the rotational schedule described above.

Any transaction intermediaries selected by USAG will be selected on the basis of the following, as applicable:

- expertise in the particular market;
- market reach and financial stability;
- history of similar transactions;
- the fees and other cost associated with its services;
- its reputation;
- our past experience with the firm, including any past deal flow or ideas provided by the firm, if any;
- our anticipation of future deal flow, if any; and
- responsiveness of staff.

In certain cases, the other party to the transaction may be responsible for the selection of intermediaries and USAG may have no control or little control over the selection process under such circumstances.

Item 13. Review of Accounts

USAG utilizes an Investment Committee to approve all portfolio investments and dispositions and will be actively involved in analyzing each investment and reviewing those investments on an on-going basis.

The Investment Committee will meet at least quarterly. The following individuals serve on the Investment Committee:

- Anatole Pevnev, Managing Director
- Adam Gore, Director, Portfolio Management
- David Martin, Director, Asset Management
- Howard Halderman
- Steve Hageman
- Shane Hageman
- Tom Peck

Clients will receive quarterly reports that provide financial statements and asset summaries of investments as well as market data relating to the industry in which investments are intended to be made. Year-end audits will be completed for all Clients by an independent accounting firm.

Item 14. Fund Referrals and Other Compensation

We may pay referral fees to our employees or other individuals and entities for referring advisory clients to our firm.

Payment of referral fees for prospective client referrals creates a potential conflict of interest to the extent that such a referral is not unbiased and the solicitor is, at least partially, motivated by financial gain. Therefore, such a referral may be made even if our advisory services are not suitable to a particular client's needs or entering into an advisory relationship with us is not, overall, in the best interest of the client. As these situations represent a conflict of interest, we have established the following restrictions in order to ensure our fiduciary responsibilities:

1. All such referral fees are paid in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements;
2. Any such referral fee will be paid solely from our investment management fee, and will not result in any additional charge to the client;
3. If the client is introduced to us by an unaffiliated solicitor, the solicitor, at the time of the solicitation, will disclose the nature of his/her/its solicitor relationship and provide each prospective client with a copy of our Form ADV Part 2 Brochure, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between our firm and the solicitor, including the compensation to be received by the solicitor from us; and
4. All referred clients will be carefully screened to ensure that our fees, services, and investment strategies are suitable to their investment needs and objectives.

Item 15. Custody

Custody is defined as any legal or actual ability by our firm to access client funds or securities. Although our firm does not take actual possession of Client funds or securities, due to certain operating and money movement arrangements that give us access to Client assets, we are deemed to have custody under the current regulatory interpretations. Therefore, we urge all of our Clients to carefully review and compare

the reviews of account holdings and/or performance results they receive from us to those they receive from their bank or another qualified custodian. Any discrepancies should be reported to us and/or the qualified custodian immediately.

Item 16. Investment Discretion

Investment discretion over each Client's account is outlined within their respective advisory agreements. However, we generally manage all Client accounts on a non-discretionary basis. We may accept grants of discretionary authority from Clients in the future. For Clients granting us the discretionary authority to determine which investments and the size of investments to be bought or sold for their account(s), we request that such authority be granted in writing, typically in the investment advisory agreement.

Should a Client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments must be submitted to us by the client in writing.

Item 17. Voting Fund Securities

Since we do not generally transact in publicly-traded securities, we do not anticipate the receipt of proxy materials for investments held by our Clients. However, should any such materials be generated by an issuer, as a matter of firm policy, our firm does not vote proxies on behalf of Clients. Clients will receive their proxies and other solicitations directly from their custodian or transfer agent and retain sole responsibility for voting. We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18. Financial Information

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered, and therefore we have no obligation to disclose our firm financials as part of this Brochure.

Our firm has no financial condition that impairs our ability to meet our contractual obligations to you, and have never been the subject of a bankruptcy proceeding.