Teucrium Commodity Trust
Form 10-Q
August 18, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2014.**

OR

o **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from to .**

Commission File Number: 001-34765

Teucrium Commodity Trust

(Exact name of registrant as specified in its charter)

Delaware	**61-1604335**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

232 Hidden Lake Road, Building A

Brattleboro, Vermont 05301

(Address of principal executive offices) (Zip code)

(802) 257-1617

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

x Yes o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

x Yes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o	Smaller reporting company o
(Do not check if a smaller reporting company)	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

o Yes x No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the last practicable date.

	Total Number of Outstanding Shares as of August 1, 2014
Teucrium Corn Fund	3,175,004
Teucrium WTI Crude Oil Fund	50,002
Teucrium Natural Gas Fund	100,004
Teucrium Sugar Fund	200,004
Teucrium Soybean Fund	175,004
Teucrium Wheat Fund	1,700,004
Teucrium Agricultural Fund	M0,002

TEUCRIUM COMMODITY TRUST

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements.

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TEUCRIUM COMMODITY TRUST

COMBINED STATEMENTS OF ASSETS AND LIABILITIES

	June 30, 2014 (Unaudited)	December 31, 2013
Assets		
Equity in BNY Mellon trading accounts:		
Cash and cash equivalents	$100,749,828	$58,707,245
Commodity futures contracts	293,497	171,580
Collateral, due from broker	14,997,292	11,768,320
Capital shares receivable	1,376,609	-
Interest receivable	5,744	4,100
Other assets	653,445	382,782
Total assets	118,076,415	71,034,027
Liabilities		
Commodity futures contracts	11,748,890	5,960,806
Collateral, due to broker	564,390	97,602
Management fee payable to Sponsor	81,038	53,100
Other liabilities	71,423	55,609
Total liabilities	12,465,741	6,167,117
Net assets	$105,610,674	$64,866,910

The accompanying notes are an integral part of these financial statements.

TEUCRIUM COMMODITY TRUST

COMBINED SCHEDULE OF INVESTMENTS

June 30, 2014

(Unaudited)

Description: Assets	Fair Value	Percentage of Net Assets		Principal Amount
Cash equivalents				
United States Treasury obligations				
U.S. Treasury bills, 0.025%, due September 4, 2014	$9,999,750	9.47	%	10,000,000
Money Market funds				
Dreyfus Cash Management	90,750,078	85.93		
Total cash equivalents	$100,749,828	95.40	%	
				Notional Amount (Long Exposure)
Commodity futures contracts				
United States natural gas futures contracts				
NYMEX natural gas futures OCT14 (8 contracts)	$38,960	0.04	%	$ 354,720
NYMEX natural gas futures NOV14 (7 contracts)	31,120	0.03		312,480
NYMEX natural gas futures APR15 (8 contracts)	5,040	0.00		325,680
United States WTI crude oil futures contracts				
WTI crude oil futures DEC14 (8 contracts)	97,230	0.09		817,440
WTI crude oil futures JUN15 (7 contracts)	37,420	0.04		684,180
WTI crude oil futures DEC15 (8 contracts)	61,560	0.06		756,960
United States soybean futures contracts				
CBOT soybean futures NOV15 (33 contracts)	4,762	0.00		1,893,375
United States sugar futures contracts				
ICE sugar futures MAR16 (48 contracts)	17,405	0.02		1,063,910
Total commodity futures contracts	$293,497	0.28	%	$ 6,208,745

The accompanying notes are an integral part of these financial statements.

Description: Liabilities	Fair Value	Percentage of Net Assets		Notional Amount (Long Exposure)
Commodity futures contracts				
United States corn futures contracts				
CBOT corn futures SEP14 (1,281 contracts)	$4,401,437	4.17	%	$ 26,820,938
CBOT corn futures DEC14 (1,089 contracts)	2,524,638	2.39		23,154,863
CBOT corn futures DEC15 (1,232 contracts)	2,804,400	2.66		27,504,400
United States natural gas futures contracts				
NYMEX natural gas futures MAR15 (7 contracts)	8,400	0.01		312,480
United States soybean futures contracts				
CBOT soybean futures NOV14 (33 contracts)	93,362	0.09		1,909,463
CBOT soybean futures JAN15 (28 contracts)	85,600	0.08		1,629,600
United States sugar futures contracts				
ICE sugar futures MAR15 (48 contracts)	437	0.00		1,033,267
ICE sugar futures MAY15 (42 contracts)	11,704	0.01		905,520
United States wheat futures contracts				
CBOT wheat futures SEP14 (196 contracts)	767,662	0.73		5,659,500
CBOT wheat futures DEC14 (162 contracts)	410,212	0.39		4,845,825
CBOT wheat futures DEC15 (171 contracts)	641,038	0.61		5,675,063
Total commodity futures contracts	$11,748,890	11.14	%	$ 99,450,919
				Shares
Exchange-traded funds				
Teucrium Corn Fund	$468,460	0.44	%	15,883
Teucrium Soybean Fund	465,692	0.44		19,281
Teucrium Wheat Fund	477,487	0.45		34,687
Teucrium Sugar Fund	480,505	0.45		31,974
Total exchange-traded funds (cost $2,497,774) owned by Teucrium Agricultural Fund	$1,892,144	1.78	%	

The accompanying notes are an integral part of these financial statements.

TEUCRIUM COMMODITY TRUST

COMBINED SCHEDULE OF INVESTMENTS

December 31, 2013

Description: Assets	Fair Value	Percentage of Net Assets		Notional Amount (Long Exposure)
Cash equivalents				
Money market funds				
Dreyfus Cash Management	$58,707,245	90.50	%	
Commodity futures contracts				
United States natural gas futures contracts				
NYMEX natural gas futures MAR14 (10 contracts)	$21,140	0.03	%	$ 419,300
NYMEX natural gas futures APR14 (11 contracts)	17,400	0.03		451,550
NYMEX natural gas futures OCT14 (11 contracts)	23,670	0.04		457,820
NYMEX natural gas futures NOV14 (11 contracts)	21,840	0.03		462,440
United States WTI crude oil futures contracts				
WTI crude oil futures JUN14 (7 contracts)	61,910	0.10		680,960
WTI crude oil futures DEC14 (7 contracts)	25,620	0.04		649,040
Total commodity futures contracts	$171,580	0.27	%	$ 3,121,110

Description: Liabilities	**Fair Value**	**Percentage of Net Assets**		**Notional Amount (Long Exposure)**
Commodity futures contracts				
United States corn futures contracts				
CBOT corn futures MAY14 (772 contracts)	$1,831,300	2.82	%	$ 16,607,650
CBOT corn futures JUL14 (652 contracts)	482,913	0.74		14,246,200
CBOT corn futures DEC14 (739 contracts)	2,570,575	3.96		16,636,738
United States WTI crude oil futures contracts				
WTI crude oil futures DEC15 (8 contracts)	5,080	0.01		690,320
United States soybean futures contracts				
CBOT soybean futures MAR14 (22 contracts)	58,288	0.09		1,421,750
CBOT soybean futures MAY14 (19 contracts)	4,775	0.01		1,213,150
CBOT Soybean futures NOV14 (25 contracts)	125,800	0.19		1,418,750
United States sugar futures contracts				
ICE sugar futures MAY14 (47 contracts)	60,827	0.09		871,718
ICE sugar futures JUL14 (40 contracts)	38,976	0.06		749,504
ICE sugar futures MAR15 (43 contracts)	83,597	0.13		854,840

United States wheat futures contracts				
CBOT wheat futures MAY14 (81 contracts)	208,100	0.32		2,478,600
CBOT wheat futures JUL14 (69 contracts)	84,750	0.13		2,127,788
CBOT wheat futures DEC14 (77 contracts)	405,825	0.63		2,465,925
Total commodity futures contracts	$5,960,806	9.18	%	$ 61,782,933
Exchange-traded funds				**Shares**
Teucrium Corn Fund	$473,707	0.73	%	15,458
Teucrium Soybean Fund	466,670	0.72		20,331
Teucrium Wheat Fund	459,782	0.71		30,987
Teucrium Sugar Fund	484,838	0.75		34,374
Total exchange-traded funds (cost $2,585,338) owned by Teucrium Agricultural Fund	$1,884,997	2.91	%	

The accompanying notes are an integral part of these financial statements.

TEUCRIUM COMMODITY TRUST

COMBINED STATEMENTS OF OPERATIONS

(Unaudited)

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Income				
Realized and unrealized gain (loss) on trading of commodity futures contracts:				
Realized gain (loss) on commodity futures contracts	$3,350,029	$(2,414,400)	$5,100,834	$(5,083,220)
Net change in unrealized appreciation or depreciation on commodity futures contracts	(18,863,675)	(451,196)	(5,666,167)	(939,108)
Interest income	10,474	6,110	22,821	16,822
Total loss	(15,503,172)	(2,859,486)	(542,512)	(6,005,506)
Expenses				
Management fees	315,635	146,374	561,950	297,918
Professional fees	200,591	153,429	352,141	455,311
Distribution and marketing fees	416,334	452,151	772,908	918,784
Custodian fees and expenses	37,874	35,825	78,005	71,544
Business permits and licenses fees	23,441	40,922	132,621	76,011
General and administrative expenses	68,572	51,525	160,478	95,258
Brokerage commissions	31,644	20,945	47,602	49,810
Other expenses	14,060	16,596	29,515	33,245
Total expenses	1,108,151	917,767	2,135,220	1,997,881
Expenses waived by the Sponsor	(95,517)	(238,692)	(226,041)	(466,450)
Reimbursement of expenses previously waived	159,527	181,874	371,194	189,854
Total expenses, net	1,172,161	860,949	2,280,373	1,721,285
Net loss	$(16,675,333)	$(3,720,435)	$(2,822,885)	$(7,726,791)

The accompanying notes are an integral part of these financial statements.

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TEUCRIUM COMMODITY TRUST

COMBINED STATEMENTS OF CHANGES IN NET ASSETS

(Unaudited)

	Six months ended June 30, 2014	Six months ended June 30, 2013
Operations		
Net loss	$(2,822,885)	$(7,726,791)
Capital transactions		
Issuance of Shares	103,965,729	37,471,116
Change in cost of shares of the Underlying Funds acquired by Teucrium Agricultural Fund	87,564	32,144
Realized loss on shares of the Underlying Funds sold by Teucrium Agricultural Fund	(84,434)	(28,629)
Redemption of Shares	(60,402,210)	(26,622,162)
Total capital transactions	43,566,649	10,852,469
Net change in net assets	40,743,764	3,125,678
Net assets, beginning of period	64,866,910	56,897,696
Net assets, end of period	$105,610,674	$60,023,374

The accompanying notes are an integral part of these financial statements.

TEUCRIUM COMMODITY TRUST

COMBINED STATEMENTS OF CASH FLOWS

(Unaudited)

	Six months ended June 30, 2014	Six months ended June 30, 2013
Cash flows from operating activities:		
Net loss	$(2,822,885)	$(7,726,791)
Adjustments to reconcile net loss to net cash used in operating activities:		
Net change in unrealized appreciation or depreciation on commodity futures contracts	5,666,167	939,108
Realized loss on shares of the Underlying Funds sold by Teucrium Agricultural Fund excluded from net loss	(84,434)	(28,629)
Changes in operating assets and liabilities:		
Purchase or sale of Underlying Funds acquired by Teucrium Agricultural Fund	87,564	32,144
Collateral, due from broker	(3,228,972)	(270,513)
Capital shares receivable	(1,376,609)	-
Interest receivable	(1,644)	(392)
Other assets	(270,662)	27,653
Collateral, due to broker	466,788	-
Management fee payable to Sponsor	27,938	(4,136)
Other liabilities	15,813	38,832
Net cash used in operating activities	(1,520,936)	(6,992,724)
Cash flows from financing activities:		
Proceeds from sale of Shares	103,965,729	37,471,116
Redemption of Shares	(60,402,210)	(26,622,162)
Net cash provided by financing activities	43,563,519	10,848,954
Net change in cash and cash equivalents	42,042,583	3,856,230
Cash and cash equivalents, beginning of period	58,707,245	52,575,291
Cash and cash equivalents, end of period	$100,749,828	$56,431,521

The accompanying notes are an integral part of these financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2014

(Unaudited)

Note 1 – Organization and Operation

Teucrium Commodity Trust (“Trust”), a Delaware statutory trust organized on September 11, 2009, is a series trust consisting of seven series: Teucrium Corn Fund (“CORN”), Teucrium WTI Crude Oil Fund (“CRUD”), Teucrium Natural Gas Fund (“NAGS”), Teucrium Sugar Fund (“CANE”), Teucrium Soybean Fund (“SOYB”), Teucrium Wheat Fund (“WEAT”), and Teucrium Agricultural Fund (“TAGS”). All these series of the Trust are collectively referred to as the “Funds” and singularly as the “Fund.” The Funds issue common units, called the “Shares,” representing fractional undivided beneficial interests in a Fund. The Trust and the Funds operate pursuant to the Trust’s Second Amended and Restated Declaration of Trust and Trust Agreement (the “Trust Agreement”).

On June 5, 2010, the initial Form S-1 for CORN was declared effective by the U.S. Securities and Exchange Commission (“SEC”). On June 8, 2010, four Creation Baskets for CORN were issued representing 200,000 shares and $5,000,000. CORN began trading on the New York Stock Exchange (“NYSE”) Arca on June 9, 2010.

On October 22, 2010, the initial Forms S-1 for NAGS and CRUD were declared effective by the SEC. On January 31, 2011, four Creation Baskets for NAGS were issued representing 200,000 shares and $5,000,000. NAGS began trading on the NYSE Arca on February 1, 2011. On February 22, 2011, four Creation Baskets for CRUD were issued representing 100,000 shares and $5,000,000. CRUD began trading on the NYSE Arca on February 23, 2011.

On June 17, 2011, the initial Forms S-1 for CANE, SOYB, and WEAT were declared effective by the SEC. On September 16, 2011, two Creation Baskets were issued for each Fund, representing 100,000 shares and $2,500,000, for CANE, SOYB, and WEAT. On September 19, 2011, CANE, SOYB, and WEAT started trading on the NYSE Arca.

On February 10, 2012, the Form S-1 for TAGS was declared effective by the SEC. On March 27, 2012, six Creation Baskets for TAGS were issued representing 300,000 shares and $15,000,000. TAGS began trading on the NYSE Arca on March 28, 2012.

The specific investment objective of each Fund and information regarding the organization and operation of each Fund are included in each Fund’s financial statements and accompanying notes, as well as in other sections of this

Form 10-K filing. In general, the investment objective of each Fund is to have the daily changes in percentage terms of its Shares' Net Asset Value ("NAV") reflect the daily changes in percentage terms of a weighted average of the closing settlement prices for certain Futures Contracts for the commodity specified for that Fund. The investment objective of the TAGS is to have the daily changes in percentage terms of NAV of its common units ("Shares") reflect the daily changes in percentage terms of a weighted average (the "Underlying Fund Average") of the NAVs per share of four other commodity pools that are series of the Trust and are sponsored by the Sponsor: CORN, WEAT, SOYB, and CANE (collectively, the "Underlying Funds"). The Underlying Fund Average will have a weighting of 25% to each Underlying Fund, and the Fund's assets will be rebalanced to maintain the approximate 25% allocation to each Underlying Fund.

The accompanying unaudited financial statements have been prepared in accordance with Rule 10-01 of Regulation S-X promulgated by the SEC and, therefore, do not include all information and footnote disclosures required under accounting principles generally accepted in the United States of America ("GAAP"). The financial information included herein is unaudited; however, such financial information reflects all adjustments which are, in the opinion of management, necessary for the fair presentation of the Trust's financial statements for the interim period. It is suggested that these interim financial statements be read in conjunction with the financial statements and related notes included in the Trust's Annual Report on Form 10-K, as applicable. The operating results for the six months ended June 30, 2014 are not necessarily indicative of the results to be expected for the full year ending December 31, 2014.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying combined financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as detailed in the Financial Accounting Standards Board's Accounting Standards Codification and include the accounts of the Trust, CORN, NAGS, CRUD, CANE, SOYB, WEAT and TAGS. For the periods represented by the combined financial statements herein the operations of the Trust contain the results of CORN, NAGS, CRUD, SOYB, CANE, WEAT, and TAGS (except as discussed in the Shares of the Underlying Funds Held by the Teucrium Agricultural Fund (TAGS) section) for the months during which each Fund was in operation.

Correction of an immaterial error in previously issued financial statements

Effective with the period ended June 30, 2014, total expenses for the current and comparative periods are presented both gross and net of any expenses waived or paid by the Sponsor that would have been incurred by the Funds ("expenses waived by the Sponsor"). In addition, certain expenses paid by the Sponsor on behalf of the Funds for the years ended December 31, 2012 and 2013 that were subject to possible recovery from the Funds in the following year, as had been previously disclosed in aggregate for the Trust in the Forms 10-K for 2012 and 2013, have also been included in expenses and waived expenses in the year incurred by the Sponsor. These expenses, if reimbursed by the

Funds to the Sponsor in 2013 or 2014 are then presented as a reimbursement of expenses previously waived. "Total expenses, net", which is after the impact of any expenses waived by or reimbursed to the Sponsor, are presented in the same manner as previously reported. There is, therefore, no impact to or change in the Net gain or Net loss in any period for the Trust and each Fund as a result of this change in presentation.

Reclassifications

Certain amounts in prior periods may have been reclassified to conform to current period presentation.

Revenue Recognition

Commodity futures contracts are recorded on the trade date. All such transactions are recorded on the identified cost basis and marked to market daily. Unrealized appreciation or depreciation on commodity futures contracts are reflected in the statements of operations as the difference between the original contract amount and the fair market value as of the last business day of the year or as of the last date of the financial statements. Changes in the appreciation or depreciation between periods are reflected in the statements of operations. Interest on cash equivalents and deposits with the Futures Commission Merchant are recognized on the accrual basis. The Funds earn interest on its assets denominated in U.S. dollars on deposit with the Futures Commission Merchant. In addition, the Funds earn interest on funds held at the custodian at prevailing market rates for such investments.

Brokerage Commissions

Brokerage commissions on all open commodity futures contracts are accrued on a full-turn basis.

Income Taxes

The Trust, as a Delaware statutory trust, is considered a trust for federal tax purposes and is, thus, a pass through entity. For tax purposes, the Funds will be treated as partnerships. Therefore, the Funds do not record a provision for income taxes because the partners report their share of a Fund's income or loss on their income tax returns. The financial statements reflect the Funds' transactions without adjustment, if any, required for income tax purposes.

The Funds are required to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Funds file income tax returns in the U.S. federal jurisdiction, and may file income tax returns in various U.S. states and foreign jurisdictions. The Funds are subject to income tax examinations by major taxing authorities for all tax years since inception. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized results in the Funds recording a tax liability that reduces net assets. Based on their analysis, the Funds have determined that they have not incurred any liability for unrecognized tax benefits as of June 30, 2014 and December 31, 2013. However, the Funds' conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, ongoing analysis of and changes to tax laws, regulations, and interpretations thereof.

The Funds recognize interest accrued related to unrecognized tax benefits and penalties related to unrecognized tax benefits in income tax fees payable, if assessed. No interest expense or penalties have been recognized as of and for the periods ended June 30, 2014 and 2013.

The Funds may be subject to potential examination by U.S. federal, U.S. state, or foreign jurisdictional authorities in the area of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, and compliance with U.S. federal, U.S. state and foreign tax laws. The Funds' management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

Creations and Redemptions

Authorized Purchasers may purchase Creation Baskets from each Fund. The amount of the proceeds required to purchase a Creation Basket will be equal to the NAV of the shares in the Creation Basket determined as of 4:00 p.m. New York time on the day the order to create the basket is properly received.

Authorized Purchasers may redeem shares from each Fund only in blocks of shares called "Redemption Baskets." The amount of the redemption proceeds for a Redemption Basket will be equal to the NAV of the shares in the Redemption Basket determined as of 4:00 p.m. New York time on the day the order to redeem the basket is properly received.

Each Fund receives or pays the proceeds from shares sold or redeemed within six business days after the trade date of the purchase or redemption. The amounts due from Authorized Purchasers are reflected in the statements of assets and liabilities as receivable for shares sold. Amounts payable to Authorized Purchasers upon redemption are reflected in the statements of assets and liabilities as payable for shares redeemed.

There are a minimum number of baskets and associated shares specified for each Fund in the Fund's respective prospectus, as amended from time to time. Once the minimum number of baskets is reached, there can be no more redemptions until there has been a creation basket. These minimum levels are as follows:

CORN: 50,000 shares representing 2 baskets

NAGS: 100,000 shares representing 2 baskets (at minimum level as of June 30, 2014)

CRUD: 50,000 shares representing 2 baskets (at minimum level as of June 30, 2014 and December 31, 2013)

SOYB: 50,000 shares representing 2 baskets

CANE: 50,000 shares representing 2 baskets

WEAT: 50,000 shares representing 2 baskets

TAGS: 50,000 shares representing 2 baskets (at minimum level as of June 30, 2014 and December 31, 2013)

Cash Equivalents

Cash equivalents are highly-liquid investments with original maturity dates of six months or less at inception. The Trust reported its cash equivalents in the statements of assets and liabilities at market value, or at carrying amounts that approximate fair value, because of their highly-liquid nature and short-term maturities. The Trust has a substantial portion of its assets on deposit with banks. Assets deposited with the bank may, at times, exceed federally insured limits. The Trust had a balance of $90,750,078 and $58,707,245 in money market funds at June 30, 2014 and December 31, 2013, respectively; these balances are included in cash and cash equivalents on the statements of assets and liabilities. The Trust also had investments in United States Treasury Bills with a maturity of three months or less with a fair value of $9,999,750 on June 30, 2014.

Collateral, Due from/to Broker

Margin is the minimum amount of funds that must be deposited by a commodity interest trader with the trader’s broker to initiate and maintain an open position in futures contracts. A margin deposit acts to assure the trader’s performance of the futures contracts purchased or sold. Futures contracts are customarily bought and sold on initial margin that represents a very small percentage of the aggregate purchase or sales price of the contract. Because of such low margin requirements, price fluctuations occurring in the futures markets may create profits and losses that, in relation to the amount invested, are greater than are customary in other forms of investment or speculation. As discussed below, adverse price changes in the futures contract may result in margin requirements that greatly exceed the initial margin. In addition, the amount of margin required in connection with a particular futures contract is set from time to time by the exchange on which the contract is traded and may be modified from time to time by the exchange during the term of the contract. Brokerage firms, such as the Funds’ clearing brokers, carrying accounts for traders in commodity interest contracts generally require higher amounts of margin as a matter of policy to further protect themselves. Over-the-counter trading generally involves the extension of credit between counterparties, so the counterparties may agree to require the posting of collateral by one or both parties to address credit exposure.

When a trader purchases an option, there is no margin requirement; however, the option premium must be paid in full. When a trader sells an option, on the other hand, he or she is required to deposit margin in an amount determined by the margin requirements established for the underlying interest and, in addition, an amount substantially equal to the current premium for the option. The margin requirements imposed on the selling of options, although adjusted to reflect the probability that out-of-the-money options will not be exercised, can in fact be higher than those imposed in dealing in the futures markets directly. Complicated margin requirements apply to spreads and conversions, which are complex trading strategies in which a trader acquires a mixture of options positions and positions in the underlying interest.

Ongoing or “maintenance” margin requirements are computed each day by a trader’s clearing broker. When the market value of a particular open futures contract changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a margin call is made by the broker. If the margin call is not met within a reasonable time, the broker may close out the trader's position. With respect to the Funds' trading, the Funds (and not their shareholders personally) are subject to margin calls.

Finally, many major U.S. exchanges have passed certain cross margining arrangements involving procedures pursuant to which the futures and options positions held in an account would, in the case of some accounts, be aggregated, and margin requirements would be assessed on a portfolio basis, measuring the total risk of the combined positions.

Due from/to Broker for Securities Transactions

Due from/to broker for investments in securities are securities transactions pending settlement. The Trust and the Funds are subject to credit risk to the extent any broker with whom it conducts business is unable to fulfill contractual obligations on its behalf. The management of the Trust and the Funds monitors the financial condition of such brokers and does not anticipate any losses from these counterparties. Since the inception of the Fund, the principal broker through which the Trust and TAGS clear securities transactions for TAGS is the Bank of New York Mellon Capital Markets.

Shares of the Underlying Funds Held by the Teucrium Agricultural Fund (TAGS)

Given the investment objective of TAGS as described in Note 1, TAGS will buy, sell and hold as part of its normal operations shares of the four Underlying Funds. The Trust excludes the shares of the other series of the Trust owned by the Teucrium Agricultural Fund from its statements of assets and liabilities. The Trust excludes the net change in unrealized appreciation or depreciation on securities owned by the Teucrium Agricultural Fund from its statements of operations. Upon the sale of the Underlying Funds by the Teucrium Agricultural Fund, the Trust includes any realized gain or loss in its statements of changes in net assets.

Sponsor Fee and Allocation of Expenses

The Sponsor is responsible for investing the assets of the Funds in accordance with the objectives and policies of each Fund. In addition, the Sponsor arranges for one or more third parties to provide administrative, custodial, accounting, transfer agency and other necessary services to the Trust and the Funds. For the performance of this service, the Funds, except for TAGS which has no such fee, are contractually obligated to pay a monthly management fee to the Sponsor, based on average daily net assets, at a rate equal to 1.00% per annum.

The Funds pay for all brokerage fees, taxes and other expenses, including licensing fees for the use of intellectual property, registration or other fees paid to the SEC, the Financial Industry Regulatory Authority ("FINRA"), formerly the National Association of Securities Dealers, or any other regulatory agency in connection with the offer and sale of subsequent Shares, after its initial registration, and all legal, accounting, printing and other expenses associated therewith. The Funds also pay the fees and expenses associated with the Trust's tax accounting and reporting requirements. Certain aggregate expenses common to all Funds are allocated by the Sponsor to the respective funds based on activity drivers deemed most appropriate by the Sponsor for such expenses. All asset-based fees and expenses for the Funds are calculated on the prior day's net assets.

The Sponsor has the ability to elect to pay certain expenses on behalf of the Fund or waive the management fee. This election is subject to change by the Sponsor, at its discretion. Expenses paid by the Sponsor and Management fees waived by the Sponsor are, if applicable, presented as waived expenses in the Statements of Operation for each fund.

For the year ended December 31, 2013, there were approximately $590,000 of expenses recorded in the financial statements of the Sponsor which were subject to reimbursement by the Funds in 2014. At that time, the Sponsor had determined that recovery of the expense amounts was not probable. For the three and six months ended June 30, 2014, asset growth and other changes experienced by certain Funds enabled the Sponsor to claim reimbursement, respectively, of $159,527 and $371,194 from those Funds, specifically, $138,455 and $301,315 from CORN, $4,822 and $24,912 from SOYB and $16,250 and $44,967 from WEAT. These amounts are reflected in the combined statements of operations for the three and six months ended June 30, 2014 as a reimbursement of a previously waived expense for the Funds from which there was recovery in 2014. There was no recovery of amounts from the other Funds. The remaining balance subject to possible reimbursement in 2014 is $9,300.

For the year ended December 31, 2012, there were approximately $560,000 of expenses recorded in the financial statements of the Sponsor which were subject to reimbursement by the Funds in 2013. At that time, the Sponsor had determined that recovery of the expense amounts was not probable. For the three and six months ended June 30, 2013, asset growth and other changes experienced by certain Funds enabled the Sponsor to claim reimbursement, respectively, of $181,874 and $189,854 from those Funds, specifically $150,827 and $157,836 from CORN, $16,020 and $16,647 from SOYB and $15,027 and $15,371 from WEAT. These amounts are reflected in the combined statements of operations for the three and six months ended June 30, 2013 as a reimbursement of previously waived expense for the Funds from which there was recovery in 2013. There was no recovery of amounts from the other Funds.

On July 29, 2011, the Sponsor filed a Form 8-K with the SEC which stated that effective August 1, 2011, the Sponsor has agreed to voluntarily cap the management fee and expenses of NAGS at 1.5% per annum of the daily net assets of the Fund.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value - Definition and Hierarchy

In accordance with U.S. GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Trust uses various valuation approaches. In accordance with U.S. GAAP, a fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Trust. Unobservable inputs reflect the Trust's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into six levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Trust has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Trust and the Funds in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy, within which the fair value measurement in its entirety falls, is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Trust's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Trust uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy. For instance, when Corn Futures Contracts on the Chicago Board of Trade ("CBOT") are not actively trading due to a "limit-up" or 'limit-down" condition, meaning that the change in the Corn Futures Contracts has exceeded the limits established, the Trust and the Fund will revert to alternative verifiable sources of valuation of its assets. When such a situation exists on a quarter close, the Sponsor will calculate the NAV on a particular day using the Level 1 valuation, but will later recalculate the NAV for the impacted Fund based upon the valuation inputs from these alternative verifiable sources (Level 2 or Level 3) and will report such NAV in its applicable financial statements and reports.

For the quarter ended June 30, 2014, Sugar Futures Contracts traded on ICE due to settle on February 29, 2016 (the "MAR16 Sugar Contracts") did not, in the opinion of the Trust and CANE, trade in an actively traded futures market as defined in the policy of the Trust and CANE for the entire period during which they were held. Accordingly, the Trust and CANE classified these as a Level 2 asset. The MAR16 Sugar Contracts were, in the opinion of the Trust and CANE, fairly valued at settlement on June 30, 2014.

For the quarter ended June 30, 2014, Wheat Futures Contracts traded on the CBOT due to settle on December 14, 2015 (the "DEC15 Wheat Contracts") did not, in the opinion of the Trust and WEAT, trade in an actively traded futures market as defined in the policy of the Trust and WEAT for the entire period during which they were held. Accordingly, the Trust and WEAT classified these as a Level 2 liability. The DEC15 Wheat Contracts were, in the opinion of the Trust and WEAT, fairly valued at settlement on June 30, 2014.

For the quarter ended March 31, 2014, Soybean Futures Contracts traded on the CBOT which will settle on November 13, 2015 (the "NOV15 Soybean Contracts") did not, in the opinion of the Trust and SOYB, trade in an actively traded futures market as defined in the policy of the Trust and SOYB for the entire period during which they were held. Accordingly, the Trust and SOYB have classified these as a Level 2 liability for the period ended March 31, 2014.

The NOV15 Soybean Contracts were, in the opinion of the Trust and SOYB, fairly valued at settlement on March 31, 2014. These transferred back to a Level 1 liability for the quarter ended June 30, 2014.

On March 31, 2013, the Corn Futures Contracts traded on the CBOT due to settle on July 12, 2013 (the “JUL13 Corn Contracts”) were in a “limit down” condition and, in the opinion of the Trust and CORN, the reported value at the close of market on that day did not fairly value the JUL13 Corn Contracts held by CORN. Therefore, the Trust and CORN used alternative verifiable sources to value the JUL13 Corn Contracts on March 31, 2013 and the financial statements of the Trust and the Fund have been adjusted accordingly. This adjustment resulted in a ($410,475) decrease in the unrealized change in commodity futures contracted for the Trust and CORN in excess of reported CBOT values, for the quarter ended March 31, 2013. These transferred back to a Level 1 liability for the quarter ended June 30, 2013.

For the quarter ended March 31, 2013, The Soybean Futures Contracts traded on the CBOT which will settle on November 14, 2014 (the “NOV14 Soybean Contracts”) did not, in the opinion of the Trust and SOYB, trade in an actively traded futures market as defined in the policy of the Trust and SOYB for the entire period during which they were held. Accordingly, the Trust and SOYB have classified these as a Level 2 liability for the period ended March 31, 2013. The NOV14 Soybean Contracts were, in the opinion of the Trust and SOYB, fairly valued at settlement on March 31, 2013. These transferred back to a Level 1 liability for the quarter ended June 30, 2013.

For the quarter ended June 30, 2013, Sugar Futures Contracts traded on ICE due to settle on February 27, 2015 (the “MAR15 ICE Sugar Contracts”) did not, in the opinion of the Trust and CANE, trade in an actively traded futures market as defined in the policy of the Trust and CANE for the entire period during which they were held. Accordingly, the Trust and CANE have classified these as a Level 2 liability for the period ended June 30, 2013. The MAR15 Sugar Contracts were, in the opinion of the Trust and CANE, fairly valued at settlement on June 30, 2013. These transferred back to a Level 1 liability for the quarter ended September 30, 2013.

For the three months ended June 30, 2013, the Wheat Futures Contracts traded on the CBOT due to settle on December 12, 2014 did not, in the opinion of the Trust and WEAT, trade in an actively traded futures market as defined in the policy of the Trust and WEAT for portions of the three months ended June 30, 2013. Accordingly, the Trust and WEAT classified these as a Level 2 liability as of June 30, 2013. The DEC14 Wheat Contracts were, in the opinion of the Trust and WEAT, fairly valued at settlement on June 30, 2013. In addition, for portions of the three months ended September 30, 2013, the Wheat Futures Contracts traded on the CBOT due to settle on December 12, 2014 (the "DEC14 Wheat Contracts") did not, in the opinion of the Trust and WEAT, trade in an actively traded futures market as defined in the policy of the Trust and WEAT. Accordingly, the Trust and WEAT classified these as a Level 2 liability as of September 30, 2013. The DEC14 Wheat Contracts were, in the opinion of the Trust and WEAT, fairly valued at settlement on September 30, 2013. All contracts traded in an active market for the quarter ended December 31, 2013.

The Funds and the Trust record their derivative activities at fair value. Gains and losses from derivative contracts are included in the statements of operations. Derivative contracts include futures contracts related to commodity prices. Futures, which are listed on a national securities exchange, such as the CBOT or the New York Mercantile Exchange (“NYMEX”), or reported on another national market, are generally categorized in Level 1 of the fair value hierarchy. OTC derivatives contracts (such as forward and swap contracts), which may be valued using models, depending on whether significant inputs are observable or unobservable, are categorized in Levels 2 or 3 of the fair value hierarchy.

Investments in the securities of the Underlying Funds are freely tradable and listed on the NYSE Arca. These investments are valued at the NAV of the Underlying Fund as of the valuation date as calculated by the administrator based on the exchange-quoted prices of the commodity futures contracts held by the Underlying Fund.

New Accounting Pronouncements

The FASB issued ASU No, 2013-07, “Presentation of Financial Statements (Topic 205): Liquidation Basis of Accounting. The amendments in this Update are being issued to clarify when an entity should apply the liquidation basis of accounting. In addition, the guidance provides principles for the recognition and measurement of assets and liabilities and requirements for financial statements prepared using the liquidation basis of accounting. The amendments are effective for entities that determine liquidation is imminent during annual reporting periods beginning after December 15, 2013, and interim reporting periods therein. The adoption did not have a significant impact on the financial statements disclosures for the Trust or the Funds.

The FASB issued ASU No, 2013-10, “Derivatives and Hedging (Topic 815): Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes. The amendments in this Update permit the Fed Funds Effective Swap Rate (OIS) to be used as a U.S. benchmark interest rate for hedge accounting purposes under Topic 815, in addition to UST and LIBOR. The amendments also remove the restriction on using different benchmark rates for similar hedges. The amendments are effective prospectively for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013. The adoption did not have a significant impact on the financial statements disclosures for the Trust or the Funds.

The FASB issued ASU No. 2013-08, “Financial Services-Investment Companies (Topic 946)-Amendments to the Scope, Measurement, and Disclosure Requirements”. ASU No. 2013-08 affects the scope, measurement, and disclosure requirements for investment companies under U.S. GAAP. ASU 2013-08 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2013. The adoption did not have a material impact on the financial statements for the Trust or the Funds.

Note 3 – Fair Value Measurements

The Trust's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy as described in the Trust's significant accounting policies in Note 2. The following table presents information about the Trust's assets and liabilities measured at fair value as of June 30, 2014 and December 31, 2013:

June 30, 2014

Assets:	Level 1	Level 2	Level 3	Balance as of June 30, 2014
Cash equivalents	$100,749,828	$-	$ -	$ 100,749,828
Commodity futures contracts				
Natural gas futures contracts	75,120	-	-	75,120
WTI crude oil futures contracts	196,210	-	-	196,210
Soybean futures contracts	4,762	-	-	4,762
Sugar futures contracts	-	17,405	-	17,405
Total	$101,025,920	$17,405	$ -	$ 101,043,325

Liabilities:	Level 1	Level 2	Level 3	Balance as of June 30, 2014
Commodity futures contracts				
Corn futures contracts	$9,730,475	$-	$ -	$ 9,730,475
Natural gas futures contracts	8,400	-	-	8,400
Soybean futures contracts	178,962	-	-	178,962
Sugar futures contracts	12,141	-	-	12,141
Wheat futures contracts	1,177,874	641,038	-	1,818,912
Total	$11,107,852	$641,038	$ -	$ 11,748,890

December 31, 2013

Assets:	Level 1	Level 2	Level 3	Balance as of December 31, 2013
Cash equivalents	$58,707,245	$-	$ -	$ 58,707,245
Commodity futures contracts				
Natural gas futures contracts	84,050	-	-	84,050
WTI crude oil futures contracts	87,530	-	-	87,530
Total	$58,878,825	$-	$ -	$ 58,878,825

Liabilities:	Level 1	Balance as of December 31, 2013

		Level 2	Level 3	
Commodity futures contracts				
Corn futures contracts	$4,884,788	$ -	$ -	$ 4,884,788
WTI crude oil futures contracts	5,080	-	-	5,080
Soybean futures contracts	188,863	-	-	188,863
Sugar futures contracts	183,400	-	-	183,400
Wheat futures contracts	698,675	-	-	698,675
Total	$5,960,806	$ -	$ -	$ 5,960,806

Transfers into and out of each level of the fair value hierarchy for the MAR16 Sugar Contracts, the NOV15 Soybean Contracts and the DEC15 Wheat Contracts, for the six months ended June 30, 2014 were as follows:

	Transfers into Level 1	Transfers out of Level 1	Transfers into Level 2	Transfers out of Level 2	Transfers into Level 3	Transfers out of Level 3
Assets (at fair value)						
Derivative contracts						
Sugar future contracts	$-	$17,405	$17,405	$-	$ -	$ -

	Transfers into Level 1	Transfers out of Level 1	Transfers into Level 2	Transfers out of Level 2	Transfers into Level 3	Transfers out of Level 3
Liabilities (at fair value)						
Derivative contracts						
Soybean future contracts	$12,075	$12,075	$12,075	$12,075	$ -	$ -
Wheat future contracts	-	641,038	641,038	-	-	-
Total	$12,075	$653,113	$653,113	$12,075	$ -	$ -

Transfers into and out of each level of the fair value hierarchy for the JUL13 Corn Contracts, NOV14 Soybean Contracts, FEB15 Sugar Contracts and the DEC14 Wheat Contracts, for the six months ended June 30, 2013 were as follows:

	Transfers into Level 1	Transfers out of Level 1	Transfers into Level 2	Transfers out of Level 2	Transfers into Level 3	Transfers out of Level 3
Liabilities (at fair value)						
Derivative contracts						
Corn future contracts	$1,010,962	$1,010,962	$1,010,962	$1,010,962	$ -	$ -
Soybean future contracts	6,850	6,850	6,850	6,850	-	-
Sugar future contracts	-	62,082	62,082	-	-	-
Wheat future contracts	-	194,225	194,225	-	-	-
Total	$1,017,812	$1,274,119	$1,274,119	$1,017,812	$ -	$ -

Note 4 – Derivative Instruments and Hedging Activities

In the normal course of business, the Funds utilize derivative contracts in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Funds’ derivative activities and exposure to derivative contracts are classified by the following primary underlying risks: interest rate, credit, commodity price, and equity price risks. In addition to its primary underlying risks, the Funds are also subject to additional counterparty risk due to inability of its counterparties to meet the terms of their contracts. For the six months ended June 30, 2014 and 2013, the Funds invested only in commodity futures contracts specifically related to each Fund. Cleared Swaps have standardized terms similar to, and are priced by reference to, a corresponding Benchmark Component Futures Contract. Additionally, Other Commodity

Interests that do not have standardized terms and are not exchange-traded, referred to as "over-the-counter" Interests, can generally be structured as the parties to the Commodity Interest contract desire. Therefore, each Fund might enter into multiple Cleared Swaps and/or over-the-counter Interests intended to exactly replicate the performance of each of the Benchmark Component Futures Contracts for the Fund, or a single over-the-counter Interest designed to replicate the performance of the Benchmark as a whole. Assuming that there is no default by a counterparty to an over-the-counter Interest, the performance of the Interest will not necessarily correlate exactly with the performance of the Benchmark or the applicable Benchmark Component Futures Contract.

Futures Contracts

The Funds are subject to commodity price risk in the normal course of pursuing their investment objectives. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

The purchase and sale of futures contracts requires margin deposits with a Futures Commission Merchant ("FCM"). Subsequent payments (variation margin) are made or received by each Fund each day, depending on the daily fluctuations in the value of the contract, and are recorded as unrealized gains or losses by each Fund. Futures contracts may reduce the Funds' exposure to counterparty risk since futures contracts are exchange-traded; and the exchange's clearinghouse, as the counterparty to all exchange-traded futures, guarantees the futures against default.

The Commodity Exchange Act requires an FCM to segregate all customer transactions and assets from the FCM's proprietary activities. A customer's cash and other equity deposited with an FCM are considered commingled with all other customer funds subject to the FCM's segregation requirements. In the event of an FCM's insolvency, recovery may be limited to each Fund's pro rata share of segregated customer funds available. It is possible that the recovery amount could be less than the total of cash and other equity deposited.

The following table discloses information about offsetting assets and liabilities presented in the statements of assets and liabilities to enable users of these financial statements to evaluate the effect or potential effect of netting arrangements for recognized assets and liabilities. These recognized assets and liabilities are presented as defined in the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2011-11 "Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities" and subsequently clarified in FASB ASU 2013-01 "Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities."

The following table also identifies the fair value amounts of derivative instruments included in the statements of assets and liabilities as derivative contracts, categorized by primary underlying risk as of June 30, 2014 and December 31, 2013.

Offsetting of Financial Assets and Derivative Assets as of June 30, 2014

	(i)	(ii)	(iii) = (i) – (ii)	(iv)		(v) = (iii) – (iv)
				Gross Amount Not Offset in the Statement of Assets and Liabilities		
Description	Gross Amount of Recognized Assets	Gross Amount Offset in the Statement of Assets and Liabilities	Net Amount Presented in the Statement of Assets and Liabilities	Financial Instruments	Cash Collateral Received	Net Amount
Commodity price						
Natural gas futures contracts	$ 75,120	$ -	$ 75,120	$ 8,400	$ -	$ 66,720
WTI crude oil futures contracts	196,210	-	196,210	-	142,990	53,220
Soybean futures contracts	4,762	-	4,762	4,762	-	-
Sugar futures contracts	17,405	-	17,405	12,141	-	5,264

Offsetting of Financial Liabilities and Derivative Liabilities as of June 30, 2014

	(i)	(ii)	(iii) = (i) – (ii)	(iv)	(v) = (iii) – (iv)

Description	Gross Amount of Recognized Liabilities	Gross Amount Offset in the Statement of Assets and Liabilities	Net Amount Presented in the Statement of Assets and Liabilities	Gross Amount Not Offset in the Statement of Assets and Liabilities: Financial Instruments	Cash Collateral Pledged	Net Amount
Commodity price						
Corn futures contracts	$ 9,730,475	$ -	$ 9,730,475	$ -	$ 9,730,475	$ -
Natural gas futures contracts	8,400	-	8,400	8,400	-	-
Soybean futures contracts	178,962	-	178,962	4,762	174,200	-
Sugar futures contracts	12,141	-	12,141	12,141	-	-
Wheat futures contracts	1,818,912	-	1,818,912	-	1,818,912	-

Offsetting of Financial Assets and Derivative Assets as of December 31, 2013

	(i)	(ii)	(iii) = (i) – (ii)	(iv)		(v) = (iii) – (iv)
Description	Gross Amount of Recognized Assets	Gross Amount Offset in the Statement of Assets and Liabilities	Net Amount Presented in the Statement of Assets and Liabilities	Gross Amount Not Offset in the Statement of Assets and Liabilities: Financial Instruments	Cash Collateral Received	Net Amount
Commodity price						
Natural gas futures contracts	$ 84,050	$ -	$ 84,050	$ -	$ 74,157	$ 9,893
WTI crude oil futures contracts	87,530	-	87,530	5,080	23,445	59,005

Offsetting of Financial Liabilities and Derivative Liabilities as of December 31, 2013

	(i)	(ii)	(iii) = (i) – (ii)	(iv)		(v) = (iii) – (iv)
				Gross Amount Not Offset in the Statement of Assets and Liabilities		
Description	Gross Amount of Recognized Liabilities	Gross Amount Offset in the Statement of Assets and Liabilities	Net Amount Presented in the Statement of Assets and Liabilities	Financial Instruments	Cash Collateral Pledged	Net Amount
Commodity price						
Corn futures contracts	$ 4,884,788	$ -	$ 4,884,788	$ -	$ 4,884,788	$ -
WTI crude oil futures contracts	5,080	-	5,080	5,080	-	-
Soybean futures contracts	188,863	-	188,863	-	188,863	-
Sugar futures contracts	183,400	-	183,400	-	183,400	-
Wheat futures contracts	698,675	-	698,675	-	698,675	-

The following is a summary of realized and unrealized gains (losses) of the derivative instruments utilized by the Trust:

Three months ended June 30, 2014

Primary Underlying Risk	**Realized Gain on Derivative Instruments**	**Net Change in Unrealized (Loss) Gain on Derivative Instruments**
Commodity price		
Corn futures contracts	$ 2,609,112	$ (15,931,100)
Natural gas futures contracts	68,960	(38,490)
WTI crude oil futures contracts	93,280	59,110
Soybean futures contracts	216,475	(310,688)
Sugar futures contracts	6,664	(35,582)
Wheat futures contracts	355,538	(2,606,925)
Total commodity futures contracts	$ 3,350,029	$ (18,863,675)

Three months ended June 30, 2013

Primary Underlying Risk	**Realized (Loss) Gain on Derivative Instruments**	**Net Change in Unrealized Gain (Loss) on Derivative Instruments**
Commodity price		
Corn futures contracts	$ (1,820,791)	$ 1,075
Natural gas futures contracts	11,680	(428,040)
WTI crude oil futures contracts	(77,810)	15,180
Soybean futures contracts	42,650	13,513
Sugar futures contracts	(199,292)	25,088
Wheat futures contracts	(370,837)	(78,012)
Total commodity futures contracts	$ (2,414,400)	$ (451,196)

Six months ended June 30, 2014

Primary Underlying Risk	**Realized Gain on Derivative Instruments**	**Net Change in Unrealized (Loss) Gain on Derivative Instruments**
Commodity price		
Corn futures contracts	$ 3,892,458	$ (4,845,687)
Natural gas futures contracts	283,150	(17,330)
WTI crude oil futures contracts	93,280	113,760
Soybean futures contracts	242,575	14,663
Sugar futures contracts	3,383	188,664
Wheat futures contracts	585,988	(1,120,237)
Total commodity futures contracts	$ 5,100,834	$ (5,666,167)

Six months ended June 30, 2013

Primary Underlying Risk	**Realized Loss on Derivative Instruments**	**Net Change in Unrealized (Loss) Gain on Derivative Instruments**
Commodity price		
Corn futures contracts	$ (3,680,613)	$ (609,950)
Natural gas futures contracts	(99,059)	64,509
WTI crude oil futures contracts	(87,130)	67,790
Soybean futures contracts	(174,925)	153,563
Sugar futures contracts	(285.118)	(98,033)
Wheat futures contracts	(756,375)	(516,987)
Total commodity futures contracts	$ (5,083,220)	$ (939,108)

Volume of Derivative Activities

The notional amounts and number of contracts categorized by primary underlying risk are included in the schedule of investments as of June 30, 2014 and December 31, 2013.

Note 5 – Organizational and Offering Costs

Expenses incurred in organizing of the Trust and the initial offering of the shares, including applicable SEC registration fees, were borne directly by the Sponsor for the Funds and will be borne directly by the Sponsor for any series of the Trust which is not yet operating or will be issued in the future. The Trust will not be obligated to reimburse the Sponsor.

Note 6 – Subsequent Events

Subsequent events have been reviewed through the date of this filing. The following subsequent events transpired for the Trust or each of the series of the Trust:

On June 30, 2014, KPMG LLP (“KPMG”) acquired certain assets of ROTHSTEIN-KASS, P.A. (d/b/a Rothstein Kass & Company, P.C.) and certain of its affiliates (“Rothstein Kass”), the independent registered public accounting firm for the Teucrium Commodity Trust (the “Trust”), the Teucrium Corn Fund, the Teucrium Natural Gas Fund, the Teucrium WTI Crude Oil Fund, the Teucrium Soybean Fund, the Teucrium Sugar Fund, the Teucrium Wheat Fund, and the Teucrium Agricultural Fund (collectively, the “Funds”). As a result of this transaction, on June 30, 2014, Rothstein Kass resigned as the independent registered public accounting firm for the Trust and the Funds. Concurrent with such resignation, the authorized officers of Teucrium Trading, LLC, the Sponsor of the Trust and the Funds (the "Sponsor"), approved the engagement of KPMG as the new independent registered public accounting firm for the Trust and the Funds subject to KPMG completing its standard client evaluation procedures and accepting the engagement. On July 7, 2014, the Trust filed a Form 8-K, dated June 30, 2014, with information regarding the KPMG acquisition and the impact to the Trust and the Funds. Effective July 29, 2014 KPMG completed its client evaluation procedures and accepted the engagement; a Form 8-K was filed on August 1, 2014 stating such.

CORN: From July 1, 2014 through August 1, 2014, the following changes of 10% or greater occurred in Shares Outstanding, NAV per share and Total Net Assets for the Fund: the Shares Outstanding for the Fund increased from 2,625,004 to 3,175,004; this represents a 20.95% increase. This increase in shares, in conjunction with a 13.09% decrease in the NAV per share, resulted in an increase in Total Net Assets of $3,938,062 or 5.09%.

NAGS: From July 1, 2014 through August 1, 2014, the following changes of 10% or greater occurred in Shares Outstanding, NAV per share and Total Net Assets for the Fund: the Shares Outstanding for the Fund remained constant while the NAV per share decreased by 11.54%. This resulted in a decrease in Total Net Assets of $152,687 or 11.52%.

CRUD: Nothing Additional to Report

SOYB: From July 1, 2014 through August 1, 2014, the following changes of 10% or greater occurred in Shares Outstanding, NAV per share and Total Net Assets for the Fund: the Shares Outstanding for the Fund decreased from 225,004 to 175,004; this represents a 22.22% decrease. This decrease in shares, in conjunction with an 8.32% decrease in the NAV per share, resulted in a decrease in Total Net Assets of $1,560,460 or 28.71%.

CANE: Nothing Additional to Report

WEAT: From July 1, 2014 through August 1, 2014, the following changes of 10% or greater occurred in Shares Outstanding, NAV per share and Total Net Assets for the Fund: the Shares Outstanding for the Fund increased from 1,175,004 to 1,700,004; this represents a 44.68% increase. This increase in shares, in conjunction with a 7.70% decrease in the NAV per share, resulted in an increase in Total Net Assets of $5,439,855 or 33.63%.

TAGS: Nothing Additional to Report

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TEUCRIUM CORN FUND

STATEMENTS OF ASSETS AND LIABILITIES

Assets	June 30, 2014 (Unaudited)	December 31, 2013
Equity in BNY Mellon trading accounts:		
Cash and cash equivalents	$74,777,820	$ 42,405,220
Collateral, due from broker	12,000,500	9,852,213
Interest receivable	4,270	2,976
Other assets	485,274	214,631
Total assets	87,267,864	52,475,040
Liabilities		
Commodity futures contracts	9,730,475	4,884,788
Management fee payable to Sponsor	66,914	41,846
Other liabilities	47,538	48,786
Total Liabilities	9,844,927	4,975,420
Net assets	$77,422,937	$ 47,499,620
Shares outstanding	2,625,004	1,550,004
Net asset value per share	$29.49	$ 30.64
Market value per share	$29.43	$ 30.58

The accompanying notes are an integral part of these financial statements.

TEUCRIUM CORN FUND

SCHEDULE OF INVESTMENTS

June 30, 2014

(Unaudited)

Description: Assets	Fair Value	Percentage of Net Assets		Principal Amount
Cash equivalents				
United States Treasury obligations				
U.S. Treasury bills, 0.025%, due September 4, 2014	$9,999,750	12.92	%	10,000,000
Money market funds				
Dreyfus Cash Management	64,778,070	83.66		
Total cash equivalents	$74,777,820	96.58	%	

Description: Liabilities	**Fair Value**	**Percentage of Net Assets**		**Notional Amount (Long Exposure)**
Commodity futures contracts				
United States corn futures contracts				
CBOT corn futures SEP14 (1,281 contracts)	$4,401,437	5.68	%	$26,820,938
CBOT corn futures DEC14 (1,089 contracts)	2,524,638	3.26		23,154,863
CBOT corn futures DEC15 (1,232 contracts)	2,804,400	3.62		27,504,400
Total commodity futures contracts	$9,730,475	12.56	%	$77,480,201

The accompanying notes are an integral part of these financial statements.

TEUCRIUM CORN FUND

SCHEDULE OF INVESTMENTS

December 31, 2013

Description: Assets	Fair Value	Percentage of Net Assets	
Cash equivalents			
Money market funds			
Dreyfus Cash Management	$42,405,220	89.27	%

Description: Liabilities	**Fair Value**	**Percentage of Net Assets**		**Notional Amount (Long Exposure)**
Commodity futures contracts				
United States corn futures contracts				
CBOT corn futures MAY14 (722 contracts)	$1,831,300	3.86	%	$16,607,650
CBOT corn futures JUL14 (652 contracts)	482,913	1.02		14,246,200
CBOT corn futures DEC14 (739 contracts)	2,570,575	5.41		16,636,738
Total commodity futures contracts	$4,884,788	10.29	%	$47,490,588

The accompanying notes are an integral part of these financial statements.

TEUCRIUM CORN FUND

STATEMENTS OF OPERATIONS

(Unaudited)

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Income				
Realized and unrealized gain (loss) on trading of commodity futures contracts:				
Realized gain (loss) on commodity futures contracts	$2,609,112	$(1,820,791)	$3,892,458	$(3,680,613)
Net change in unrealized appreciation or depreciation on commodity futures contracts	(15,931,100)	1,075	(4,845,687)	(609,950)
Interest income	8,819	3,774	19,020	11,738
Total loss	(13,313,169)	(1,815,942)	(934,209)	(4,278,825)
Expenses				
Management fees	255,819	94,572	452,244	194,392
Professional fees	127,265	75,855	218,205	294,208
Distribution and marketing fees	327,600	349,152	610,110	686,202
Custodian fees and expenses	32,210	32,211	64,067	64,067
Business permits and licenses fees	11,830	20,930	32,530	41,630
General and administrative expenses	34,944	31,395	110,994	62,445
Brokerage commissions	21,385	16,395	33,535	40,875
Other expenses	10,283	10,282	20,453	20,453
Total expenses	821,336	630,792	1,542,138	1,404,272
Expenses waived by the Sponsor	-	(106,562)	-	(213,124)
Reimbursement of expenses previously waived	138,455	150,827	301,315	157,836
Total expenses, net	959,791	675,057	1,843,453	1,348,984
Net loss	$(14,272,960)	$(2,490,999)	$(2,777,662)	$(5,627,809)

The accompanying notes are an integral part of these financial statements.

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TEUCRIUM CORN FUND

STATEMENTS OF CHANGES IN NET ASSETS

(Unaudited)

	Six months ended June 30, 2014	Six months ended June 30, 2013
Operations		
Net loss	$(2,777,662)	$(5,627,809)
Capital transactions		
Issuance of Shares	85,398,079	28,918,201
Redemption of Shares	(52,697,100)	(22,272,413)
Total capital transactions	32,700,979	6,645,788
Net change in net assets	29,923,317	1,017,979
Net assets, beginning of period	$47,499,620	$37,686,512
Net assets, end of period	$77,422,937	$38,704,491
Net asset value per share at beginning of period	$30.64	$44.34
At end of period	$29.49	$38.70

The accompanying notes are an integral part of these financial statements.

TEUCRIUM CORN FUND

STATEMENTS OF CASH FLOWS

(Unaudited)

	Six months ended June 30, 2014	Six months ended June 30, 2013
Cash flows from operating activities:		
Net loss	$(2,777,662)	$(5,627,809)
Adjustments to reconcile net loss to net cash used in operating activities:		
Net change in unrealized appreciation or depreciation on commodity futures contracts	4,845,687	609,950
Changes in operating assets and liabilities:		
Collateral, due from broker	(2,148,287)	89,325
Interest receivable	(1,294)	(309)
Other assets	(270,643)	(9,578)
Management fee payable to Sponsor	25,068	(3,773)
Other liabilities	(1,248)	36,569
Net cash used in operating activities	(328,379)	(4,905,625)
Cash flows from financing activities:		
Proceeds from sale of Shares	85,398,079	28,918,201
Redemption of Shares	(52,697,100)	(22,272,413)
Net cash provided by financing activities	32,700,979	6,645,788
Net change in cash and cash equivalents	32,372,600	1,740,163
Cash and cash equivalents, beginning of period	42,405,220	34,631,982
Cash and cash equivalents, end of period	$74,777,820	$36,372,145

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

(Unaudited)

Note 1 – Organization and Operation

Teucrium Corn Fund (referred to herein as "CORN," or the "Fund") is a commodity pool that is a series of Teucrium Commodity Trust ("Trust"), a Delaware statutory trust formed on September 11, 2009. The Fund issues common units, called the "Shares," representing fractional undivided beneficial interests in the Fund. The Fund continuously offers Creation Baskets consisting of 25,000 Shares at their Net Asset Value ("NAV") to "Authorized Purchasers" through Foreside Fund Services, LLC, which is the distributor for the Fund (the "Distributor"). Authorized Purchasers sell such Shares, which are listed on the New York Stock Exchange ("NYSE") Arca under the symbol "CORN," to the public at per-Share offering prices that reflect, among other factors, the trading price of the Shares on the NYSE Arca, the NAV of the Fund at the time the Authorized Purchaser purchased the Creation Baskets and the NAV at the time of the offer of the Shares to the public, the supply of and demand for Shares at the time of sale, and the liquidity of the markets for corn interests. The Fund's Shares trade in the secondary market on the NYSE Arca at prices that are lower or higher than their NAV per Share.

The investment objective of the Fund is to have the daily changes in percentage terms of the Shares' NAV reflect the daily changes in percentage terms of a weighted average of the closing settlement prices for three futures contracts for corn ("Corn Futures Contracts") that are traded on the Chicago Board of Trade ("CBOT"), specifically (1) the second-to-expire CBOT Corn Futures Contract, weighted 35%, (2) the third-to-expire CBOT Corn Futures Contract, weighted 30%, and (3) the CBOT Corn Futures Contract expiring in the December following the expiration month of the third-to-expire contract, weighted 35%.

The Fund commenced investment operations on June 9, 2010 and has a fiscal year ending on December 31. The Fund's sponsor is Teucrium Trading, LLC (the "Sponsor"). The Sponsor is responsible for the management of the Fund. The Sponsor is a member of the National Futures Association (the "NFA") and became a commodity pool operator registered with the Commodity Futures Trading Commission (the "CFTC") effective November 10, 2009.

On June 5, 2010, the Fund's initial registration of 30,000,000 shares the Form S-1 was declared effective by the U.S. Securities and Exchange Commission ("SEC"). On June 9, 2010, the Fund listed its shares on the NYSE Arca under the ticker symbol "CORN." On the day prior to that, the Fund issued 200,000 shares in exchange for $5,000,000 at the Fund's initial NAV of $25 per share. The Fund also commenced investment operations on June 9, 2010 by purchasing commodity futures contracts traded on the Chicago Board of Trade ("CBOT").

The accompanying unaudited financial statements have been prepared in accordance with Rule 10-01 of Regulation S-X promulgated by the SEC and, therefore, do not include all information and footnote disclosures required under accounting principles generally accepted in the United States of America (“GAAP”). The financial information included herein is unaudited; however, such financial information reflects all adjustments which are, in the opinion of management, necessary for the fair presentation of the Fund’s financial statements for the interim period. It is suggested that these interim financial statements be read in conjunction with the financial statements and related notes included in the Trust’s Annual Report on Form 10-K, as well as the most recent Form S-1 filing, as applicable. The operating results for the six months ended June 30, 2014 are not necessarily indicative of the results to be expected for the full year ending December 31, 2014.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as detailed in the Financial Accounting Standards Board’s Accounting Standards Codification.

Correction of an immaterial error in previously issued financial statements

Effective with the period ended June 30, 2014, total expenses for the current and comparative periods are presented both gross and net of any expenses waived or paid by the Sponsor that would have been incurred by the Funds (“expenses waived by the Sponsor”). In addition, certain expenses paid by the Sponsor on behalf of the Funds for the years ended December 31, 2012 and 2013 that were subject to possible recovery from the Funds in the following year, as had been previously disclosed in aggregate for the Trust in the Forms 10-K for 2012 and 2013, have also been included in expenses and waived expenses in the year incurred by the Sponsor. These expenses, if reimbursed by the Funds to the Sponsor in 2013 or 2014 are then presented as a reimbursement of expenses previously waived. “Total expenses, net”, which is after the impact of any expenses waived by or reimbursed to the Sponsor, are presented in the same manner as previously reported. There is, therefore, no impact to or change in the Net gain or Net loss in any period for the Trust and each Fund as a result of this change in presentation.

Reclassifications

Certain amounts in prior periods may have been reclassified to conform to current period presentation.

Revenue Recognition

Commodity futures contracts are recorded on the trade date. All such transactions are recorded on the identified cost basis and marked to market daily. Unrealized appreciation or depreciation on commodity futures contracts are reflected in the statements of operations as the difference between the original contract amount and the fair market value as of the last business day of the year or as of the last date of the financial statements. Changes in the appreciation or depreciation between periods are reflected in the statements of operations. Interest on cash equivalents and deposits with the Futures Commission Merchant are recognized on the accrual basis. The Fund earns interest on its assets denominated in U.S. dollars on deposit with the Futures Commission Merchant. In addition, the Fund earns interest on funds held at the custodian at prevailing market rates for such investments.

Brokerage Commissions

Brokerage commissions on all open commodity futures contracts are accrued on a full-turn basis.

Income Taxes

For tax purposes, the Fund will be treated as a partnership. The Fund does not record a provision for income taxes because the partners report their share of the Fund's income or loss on their income tax returns. The financial statements reflect the Fund's transactions without adjustment, if any, required for income tax purposes.

The Fund is required to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Fund files an income tax return in the U.S. federal jurisdiction, and may file income tax returns in various U.S. states and foreign jurisdictions. The Fund is subject to income tax examinations by major taxing authorities for all tax years since inception. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized results in the Fund recording a tax liability that reduces net assets. Based on its analysis, the Fund has determined that it has not incurred any liability for unrecognized tax benefits as of June 30, 2014 and December 31, 2013. However, the Fund's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, ongoing analysis of and changes to tax laws, regulations, and interpretations thereof.

The Fund recognizes interest accrued related to unrecognized tax benefits and penalties related to unrecognized tax benefits in income tax fees payable, if assessed. No interest expense or penalties have been recognized as of and for the periods ended June 30, 2014 and 2013.

The Fund may be subject to potential examination by U.S. federal, U.S. state, or foreign jurisdictional authorities in the area of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, and compliance with U.S. federal, U.S. state and foreign tax laws. The Fund's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

Creations and Redemptions

Authorized Purchasers may purchase Creation Baskets consisting of 25,000 shares from CORN. The amount of the proceeds required to purchase a Creation Basket will be equal to the NAV of the shares in the Creation Basket determined as of 4:00 p.m. New York time on the day the order to create the basket is properly received.

Authorized Purchasers may redeem shares from the Fund only in blocks of 25,000 shares called “Redemption Baskets.” The amount of the redemption proceeds for a Redemption Basket will be equal to the NAV of the shares in the Redemption Basket determined as of 4:00 p.m. New York time on the day the order to redeem the basket is properly received.

The Fund receives or pays the proceeds from shares sold or redeemed within six business days after the trade date of the purchase or redemption. The amounts due from Authorized Purchasers are reflected in the Fund’s statements of assets and liabilities as receivable for shares sold. Amounts payable to Authorized Purchasers upon redemption are reflected in the Fund’s statements of assets and liabilities as payable for shares redeemed.

As outlined in the most recent Form S-1 filing, 50,000 shares represents two Redemption Baskets for the Fund and a minimum level of shares.

Allocation of Shareholder Income and Losses

Profit or loss is allocated among the shareholders of the Fund in proportion to the number of shares each shareholder holds as of the close of each month.

Cash Equivalents

Cash equivalents are highly-liquid investments with original maturity dates of six months or less at inception. The Fund reported its cash equivalents in the statements of assets and liabilities at market value, or at carrying amounts that approximate fair value, because of their highly-liquid nature and short-term maturities. The Fund has a substantial portion of its assets on deposit with banks. Assets deposited with the bank may, at times, exceed federally insured limits. The Fund had a balance of $64,778,070 and $42,405,220 in money market funds at June 30, 2014 and December 31, 2013, respectively; these balances are included in cash and cash equivalents on the statements of assets and liabilities. The Fund held $9,999,750 in United States Treasury Bills with a maturity date of three months or less at June 30, 2014; this balance is included in cash and cash equivalents on the statements of assets and liabilities.

Collateral, Due from/to Broker

Margin is the minimum amount of funds that must be deposited by a commodity interest trader with the trader's broker to initiate and maintain an open position in futures contracts. A margin deposit acts to assure the trader's performance of the futures contracts purchased or sold. Futures contracts are customarily bought and sold on initial margin that represents a very small percentage of the aggregate purchase or sales price of the contract. Because of such low margin requirements, price fluctuations occurring in the futures markets may create profits and losses that, in relation to the amount invested, are greater than are customary in other forms of investment or speculation. As discussed below, adverse price changes in the futures contract may result in margin requirements that greatly exceed the initial margin. In addition, the amount of margin required in connection with a particular futures contract is set from time to time by the exchange on which the contract is traded and may be modified from time to time by the exchange during the term of the contract. Brokerage firms, such as the Fund's clearing brokers, carrying accounts for traders in commodity interest contracts generally require higher amounts of margin as a matter of policy to further protect themselves. Over-the-counter trading generally involves the extension of credit between counterparties, so the counterparties may agree to require the posting of collateral by one or both parties to address credit exposure.

When a trader purchases an option, there is no margin requirement; however, the option premium must be paid in full. When a trader sells an option, on the other hand, he or she is required to deposit margin in an amount determined by the margin requirements established for the underlying interest and, in addition, an amount substantially equal to the current premium for the option. The margin requirements imposed on the selling of options, although adjusted to reflect the probability that out-of-the-money options will not be exercised, can in fact be higher than those imposed in dealing in the futures markets directly. Complicated margin requirements apply to spreads and conversions, which are complex trading strategies in which a trader acquires a mixture of options positions and positions in the underlying interest.

Ongoing or "maintenance" margin requirements are computed each day by a trader's clearing broker. When the market value of a particular open futures contract changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a margin call is made by the broker. If the margin call is not met within a reasonable time, the broker may close out the trader's position. With respect to the Fund's trading, the Fund (and not its shareholders personally) is subject to margin calls.

Finally, many major U.S. exchanges have passed certain cross margining arrangements involving procedures pursuant to which the futures and options positions held in an account would, in the case of some accounts, be aggregated and margin requirements would be assessed on a portfolio basis, measuring the total risk of the combined positions.

Calculation of Net Asset Value

The Fund's NAV is calculated by:

- Taking the current market value of its total assets and

- Subtracting any liabilities.

The administrator, the Bank of New York Mellon, calculates the NAV of the Fund once each trading day. It calculates the NAV as of the earlier of the close of the NYSE or 4:00 p.m. New York time. The NAV for a particular trading day is released after 4:15 p.m. New York time.

In determining the value of Corn Futures Contracts, the administrator uses the CBOT closing price. The administrator determines the value of all other Fund investments as of the earlier of the close of the NYSE or 4:00 p.m. New York time. The value of over-the-counter corn interests is determined based on the value of the commodity or futures contract underlying such corn interest, except that a fair value may be determined if the Sponsor believes that the Fund is subject to significant credit risk relating to the counterparty to such corn interest. For purposes of financial statements and reports, the Sponsor will recalculate the NAV where necessary to reflect the "fair value" of a Futures Contract when the Futures Contract closes at its price fluctuation limit for the day. Treasury securities held by the Fund are valued by the administrator using values received from recognized third-party vendors and dealer quotes. NAV includes any unrealized profit or loss on open corn interests and any other income or expense accruing to the Fund but unpaid or not received by the Fund.

Sponsor Fee and Allocation of Expenses

The Sponsor is responsible for investing the assets of the Fund in accordance with the objectives and policies of the Fund. In addition, the Sponsor arranges for one or more third parties to provide administrative, custodial, accounting, transfer agency and other necessary services to the Fund. For these services, the Fund is contractually obligated to pay a monthly management fee to the Sponsor, based on average daily net assets, at a rate equal to 1.00% per annum.

The Fund generally pays for all brokerage fees, taxes and other expenses, including licensing fees for the use of intellectual property, registration or other fees paid to the SEC, the Financial Industry Regulatory Authority ("FINRA"), formerly the National Association of Securities Dealers, or any other regulatory agency in connection with the offer and sale of subsequent Shares after its initial registration and all legal, accounting, printing and other expenses associated therewith. The Fund also pays its portion of the fees and expenses associated with the Trust's tax accounting and reporting requirements. Certain aggregate expenses common to all Funds managed by the Sponsor are allocated to each Fund based on activity drivers deemed most appropriate by the Sponsor for such expenses. The Sponsor can elect to waive certain fees or expenses that would generally be paid for by the Fund. All asset-based fees and expenses are calculated on the prior day's net assets.

For the year ended December 31, 2013, there were approximately $425,000 of expenses recorded in the financial statements of the Sponsor which were subject to reimbursement by CORN in 2014. At that time, the Sponsor had determined that recovery of the expense amounts was not probable. For the three and six months ended June 30, 2014, asset growth and other changes experienced by CORN enabled the Sponsor to claim reimbursement of $138,455 and $301,315 respectively from the Fund. These amounts are reflected in the statements of operations for the three and six months ended June 30, 2014 as a reimbursement of previously waived expenses.

For the year ended December 31, 2012, there were approximately $426,000 of expenses recorded in the financial statements of the Sponsor which were subject to reimbursement by CORN in 2013. At that time, the Sponsor had determined that recovery of the expense amounts was not probable. For the three and six months ended June 30, 2013, asset growth and other changes experienced by CORN enabled the Sponsor to claim reimbursement of $150,827 and $157,836 respectively from the Fund. These amounts are reflected in the statements of operations for the three and six months ended June 30, 2013 as a reimbursement of previously waived expenses.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value - Definition and Hierarchy

In accordance with U.S. GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

In determining fair value, the Fund uses various valuation approaches. In accordance with GAAP, a fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund’s assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into six levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy, within which the fair value measurement in its entirety falls, is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Fund’s own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Fund uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy. For instance, when Corn Futures Contracts on the CBOT are not actively trading due to a “limit-up” or limit-down” condition, meaning that the change in the Corn Futures Contracts has exceeded the limits established, the Trust and the Fund will revert to alternative verifiable sources of valuation of its assets. When such a situation exists on a quarter close, the Sponsor will calculate the Net Asset Value (“NAV”) on a particular day using the Level 1 valuation, but will later recalculate the NAV for the impacted Fund based upon the valuation inputs from these alternative verifiable sources (Level 2 or Level 3) and will report such NAV in its applicable financial statements and reports.

On June 30, 2014 and December 31, 2013, in the opinion of the Trust and the Fund, the reported value of the Corn Futures Contracts traded on the CBOT fairly reflected the value of the Corn Futures Contracts held by the Fund, and no adjustments were necessary.

On March 31, 2013, the Corn Futures Contracts traded on the CBOT due to settle on July 12, 2013 (the “JUL13 Corn Contracts”) were in a “limit down” condition and, in the opinion of the Trust and CORN, the reported value at the close of market on that day did not fairly value the JUL13 Corn Contracts held by CORN. Therefore, the Trust and CORN used alternative verifiable sources to value the JUL13 Corn Contracts on March 31, 2013 and the financial statements of the Trust and the Fund have been adjusted accordingly. This adjustment resulted in a ($410,475) decrease in the unrealized change in commodity futures contracted for the Trust and CORN in excess of reported CBOT values, for the quarter ended March 31, 2013. These transferred back to a Level 1 liability for the quarter ended June 30, 2013.

The Fund records its derivative activities at fair value. Gains and losses from derivative contracts are included in the statements of operations. Derivative contracts include futures contracts related to commodity prices. Futures, which are listed on a national securities exchange, such as the Chicago Board of Trade (“CBOT”) or the New York Mercantile Exchange (“NYMEX”), or reported on another national market, are generally categorized in Level 1 of the fair value hierarchy. OTC derivatives contracts (such as forward and swap contracts) which may be valued using models, depending on whether significant inputs are observable or unobservable, are categorized in Levels 2 or 3 of the fair value hierarchy.

Net Income (Loss) per Share

Net income (loss) per share is the difference between the NAV per unit at the beginning of each period and at the end of each period. The weighted average number of units outstanding was computed for purposes of disclosing net income (loss) per weighted average unit. The weighted average units are equal to the number of units outstanding at the end of the period, adjusted proportionately for units created or redeemed based on the amount of time the units were outstanding during such period.

New Accounting Pronouncements

The FASB issued ASU No, 2013-07, “Presentation of Financial Statements (Topic 205): Liquidation Basis of Accounting. The amendments in this Update are being issued to clarify when an entity should apply the liquidation basis of accounting. In addition, the guidance provides principles for the recognition and measurement of assets and liabilities and requirements for financial statements prepared using the liquidation basis of accounting. The amendments are effective for entities that determine liquidation is imminent during annual reporting periods beginning after December 15, 2013, and interim reporting periods therein. The adoption did not have a significant impact on the financial statements disclosures for the Trust or the Funds.

The FASB issued ASU No, 2013-10, “Derivatives and Hedging (Topic 815): Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes. The amendments in this Update permit the Fed Funds Effective Swap Rate (OIS) to be used as a U.S. benchmark interest rate for hedge accounting purposes under Topic 815, in addition to UST and LIBOR. The amendments also remove the restriction on using different benchmark rates for similar hedges. The amendments are effective prospectively for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013. The adoption did not have a significant impact on the financial statements disclosures for the Trust or the Funds.

The FASB issued ASU No. 2013-08, “Financial Services-Investment Companies (Topic 946)-Amendments to the Scope, Measurement, and Disclosure Requirements”. ASU No. 2013-08 affects the scope, measurement, and disclosure requirements for investment companies under U.S. GAAP. ASU 2013-08 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2013. The adoption did not have a material impact on the financial statements for the Trust or the Funds.

Note 3 – Fair Value Measurements

The Fund’s assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy as described in the Fund’s significant accounting policies in Note 2. The following table presents information about the Fund’s assets and liabilities measured at fair value as of June 30, 2014 and December 31, 2013:

June 30, 2014

Assets:	Level 1	Level 2	Level 3	Balance as of June 30, 2014
Cash equivalents	$74,777,820	$ -	$ -	$ 74,777,820

Liabilities:	Level 1	Level 2	Level 3	Balance as of June 30, 2014
Commodity futures contracts	$9,730,475	$ -	$ -	$ 9,730,475

December 31, 2013

Assets:	Level 1	Level 2	Level 3	Balance as of December 31, 2013
Cash equivalents	$42,405,220	$ -	$ -	$ 42,405,220

Liabilities:	Level 1	Level 2	Level 3	Balance as of December 31, 2013
Commodity futures contracts	$4,884,788	$ -	$ -	$ 4,884,788

For the six months ended June 30, 2014, the Fund did not have any significant transfers between any of the levels of the fair value hierarchy.

Transfers into and out of each level of the fair value hierarchy for the JUL13 Corn Contracts for the six months ended June 30, 2013 were as follows:

	Transfers into Level 1	Transfers out of Level 1	Transfers into Level 2	Transfers out of Level 2	Transfers into Level 3	Transfers out of Level 3
Liabilities (at fair value)						
Derivative contracts						

Corn future contracts	$ 1,010,962	$1,010,962	$1,010,962	$ 1,010,962	$ -	$ -

Note 4 – Derivative Instruments and Hedging Activities

In the normal course of business, the Fund utilizes derivative contracts in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Fund's derivative activities and exposure to derivative contracts are classified by the following primary underlying risks: interest rate, credit, commodity price, and equity price risks. In addition to its primary underlying risks, the Fund is also subject to additional counterparty risk due to inability of its counterparties to meet the terms of their contracts. For the six months ended June 30, 2014 and 2013 the Fund invested only in commodity futures contracts. Cleared Corn Swaps have standardized terms similar to, and are priced by reference to, the corresponding Benchmark Component Futures Contract. Additionally, Other Corn Interests that do not have standardized terms and are not exchange-traded, referred to as "over-the-counter" Corn Interests, can generally be structured as the parties to the Corn Interest contract desire. Therefore, the Fund might enter into multiple Cleared Swaps and/or over-the-counter Interests intended to exactly replicate the performance of the Benchmark Component Futures Contracts for the Fund, or a single over-the-counter Interest designed to replicate the performance of the Benchmark as a whole. Assuming that there is no default by a counterparty to an over-the-counter Interest, the performance of the Interest will not necessarily correlate exactly with the performance of the Benchmark or the applicable Benchmark Component Futures Contract.

Futures Contracts

The Fund is subject to commodity price risk in the normal course of pursuing its investment objectives. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

The purchase and sale of futures contracts requires margin deposits with a Futures Commission Merchant ("FCM"). Subsequent payments (variation margin) are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, and are recorded as unrealized gains or losses by the Fund. Futures contracts may reduce the Fund's exposure to counterparty risk since futures contracts are exchange-traded; and the exchange's clearinghouse, as the counterparty to all exchange-traded futures, guarantees the futures against default.

The Commodity Exchange Act requires an FCM to segregate all customer transactions and assets from the FCM's proprietary activities. A customer's cash and other equity deposited with an FCM are considered commingled with all other customer funds subject to the FCM's segregation requirements. In the event of an FCM's insolvency, recovery may be limited to the Fund's pro rata share of segregated customer funds available. It is possible that the recovery amount could be less than the total of cash and other equity deposited.

The following table discloses information about offsetting assets and liabilities presented in the statements of assets and liabilities to enable users of these financial statements to evaluate the effect or potential effect of netting arrangements for recognized assets and liabilities. These recognized assets and liabilities are presented as defined in the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2011-11 "Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities" and subsequently clarified in FASB ASU 2013-01 "Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities."

The following table also identifies the fair value amounts of derivative instruments included in the statements of liabilities as derivative contracts, categorized by primary underlying risk as of June 30, 2014 and December 31, 2013.

Offsetting of Financial Liabilities and Derivative Liabilities as of June 30, 2014

	(i)	(ii)	(iii) = (i) – (ii)	(iv)		(v) = (iii) – (iv)
				Gross Amount Not Offset in the Statement of Assets and Liabilities		
Description	Gross Amount of Recognized Liabilities	Gross Amount Offset in the Statement of Assets and Liabilities	Net Amount Presented in the Statement of Assets and Liabilities	Financial Instruments	Cash Collateral Pledged	Net Amount
Commodity price						
Corn futures contracts	$ 9,730,475	$ -	$ 9,730,475	$ -	$ 9,730,475	$ -

Offsetting of Financial Liabilities and Derivative Liabilities as of December 31, 2013

	(i)	(ii)	(iii) = (i) – (ii)	(iv)		(v) = (iii) – (iv)
				Gross Amount Not Offset in the Statement of Assets and Liabilities		
Description	Gross Amount of Recognized Liabilities	Gross Amount Offset in the Statement of Assets and Liabilities	Net Amount Presented in the Statement of Assets and Liabilities	Financial Instruments	Cash Collateral Pledged	Net Amount
Commodity price						
Corn futures contracts	$ 4,884,788	$ -	$ 4,884,788	$ -	$ 4,884,788	$ -

The following tables identify the net gain and loss amounts included in the statements of operations as realized and unrealized gains and losses on trading of commodity futures contracts categorized by primary underlying risk:

Three months ended June 30, 2014

Primary Underlying Risk	Realized Gain on Derivative Instruments	Net Change in Unrealized Loss on Derivative Instruments
Commodity price		
Commodity futures contracts	$2,609,112	$(15,931,100)

Three months ended June 30, 2013

Primary Underlying Risk	Realized Loss on Derivative Instruments	Net Change in Unrealized Gain on Derivative Instruments
Commodity price		
Commodity futures contracts	$(1,820,791)	$1,075

Six months ended June 30, 2014

Primary Underlying Risk	Realized Gain on Derivative Instruments	Net Change in Unrealized Loss on Derivative Instruments
Commodity price		

Commodity futures contracts	$3,892,458	$(4,845,687)

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Six months ended June 30, 2013

Primary Underlying Risk	Realized Loss on Derivative Instruments	Net Change in Unrealized Loss on Derivative Instruments
Commodity price		
Commodity futures contracts	$(3,680,613)	$(609,950)

Volume of Derivative Activities

The notional amounts and number of contracts categorized by primary underlying risk, commodity price risk, are included in the schedule of investments as of June 30, 2014 and December 31, 2013.

Note 5 – Financial Highlights

The following tables present per unit performance data and other supplemental financial data for the six months ended June 30, 2014 and 2013. This information has been derived from information presented in the financial statements and is presented with total expenses gross of expenses waived by the Sponsor and with total expenses net of expenses waived by the Sponsor, as appropriate.

Per Share Operation Performance	Six months ended June 30, 2014	Six months ended June 30, 2013
Net asset value at beginning of period	$ 30.64	$ 44.34
Income from investment operations:		
Investment income	0.01	0.01
Net realized and unrealized loss on commodity futures contracts	(0.50)	(4.20)
Total expenses, net	(0.66)	(1.45)
Net decrease in net asset value, net of expenses waived by the Sponsor	(1.15)	(5.64)
Net asset value at end of period	$ 29.49	$ 38.70
Total Return	(3.75)%	(12.72)%
Ratios to Average Net Assets		
Total expenses	3.40 %	7.22 %
Total expenses, net	4.07 %	6.93 %
Net investment loss	(4.03)%	(6.87)%

Total returns are calculated based on the change in value during the period. An individual shareholder's total return and ratios may vary from the above total returns and ratios based on the timing of contributions to and withdrawals from the Fund. The ratios have been annualized.

The financial highlights per share data are calculated using the average of the daily shares outstanding for the reporting period, which is inclusive of the last day of the period under report. The asset-based per share data in the financial highlights are calculated using the prior day's net assets consistent with the methodology used to calculate asset-based fees and expenses.

Note 6 – Organizational and Offering Costs

Expenses incurred in organizing of the Trust and the initial offering of the Shares of the Fund, including applicable SEC registration fees were borne directly by the Sponsor. The Fund will not be obligated to reimburse the Sponsor.

Note 7 – Subsequent Events

Subsequent events have been reviewed through the date of this filing. The following subsequent events transpired for the Fund:

On June 30, 2014, KPMG LLP ("KPMG") acquired certain assets of ROTHSTEIN-KASS, P.A. (d/b/a Rothstein Kass & Company, P.C.) and certain of its affiliates ("Rothstein Kass"), the independent registered public accounting firm for the Teucrium Commodity Trust (the "Trust"), the Teucrium Corn Fund, the Teucrium Natural Gas Fund, the Teucrium WTI Crude Oil Fund, the Teucrium Soybean Fund, the Teucrium Sugar Fund, the Teucrium Wheat Fund, and the Teucrium Agricultural Fund (collectively, the "Funds"). As a result of this transaction, on June 30, 2014, Rothstein Kass resigned as the independent registered public accounting firm for the Trust and the Funds. Concurrent with such resignation, the authorized officers of Teucrium Trading, LLC, the Sponsor of the Trust and the Funds (the "Sponsor"), approved the engagement of KPMG as the new independent registered public accounting firm for the Trust and the Funds subject to KPMG completing its standard client evaluation procedures and accepting the engagement. On July 7, 2014, the Trust filed a Form 8-K, dated June 30, 2014, with information regarding the KPMG acquisition and the impact to the Trust and the Funds. Effective July 29, 2014 KPMG completed its client evaluation procedures and accepted the engagement; a Form 8-K was filed on August 1, 2014 stating such.

From July 1, 2014 through August 1, 2014, the following changes of 10% or greater occurred in Shares Outstanding, NAV per share and Total Net Assets for the Fund: the Shares Outstanding for the Fund increased from 2,625,004 to 3,175,004; this represents a 20.95% increase. This increase in shares, in conjunction with a 13.09% decrease in the NAV per share, resulted in an increase in Total Net Assets of $3,938,062 or 5.09%.

TEUCRIUM NATURAL GAS FUND

STATEMENTS OF ASSETS AND LIABILITIES

Assets	June 30, 2014 (Unaudited)	December 31, 2013
Equity in BNY Mellon trading accounts:		
Cash and cash equivalents	$1,231,530	$1,752,722
Commodity futures contracts	75,120	84,050
Collateral, due from broker	13,895	-
Interest receivable	84	126
Other assets	15,983	12,337
Total assets	1,336,612	1,849,235
Liabilities		
Commodity futures contracts	8,400	-
Collateral, due to broker	-	74,157
Management fee payable to Sponsor	-	1,671
Other liabilities	2,445	152
Total Liabilities	10,845	75,980
Net assets	$1,325,767	$1,773,255
Shares outstanding	100,004	150,004
Net asset value per share	$13.26	$11.82
Market value per share	$13.13	$12.00

The accompanying notes are an integral part of these financial statements.

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TEUCRIUM NATURAL GAS FUND

SCHEDULE OF INVESTMENTS

June 30, 2014

(Unaudited)

Description: Assets	Fair Value	Percentage of Net Assets		Notional Amount (Long Exposure)
Cash equivalents				
Money Market funds				
Dreyfus Cash Management	$1,231,530	92.89	%	
Commodity futures contracts				
United States natural gas futures contracts				
NYMEX natural gas futures OCT14 (8 contracts)	$38,960	2.94	%	$354,720
NYMEX natural gas futures NOV14 (7 contracts)	31,120	2.35		312,480
NYMEX natural gas futures APR15 (8 contracts)	5,040	0.38		325,680
Total commodity futures contracts	$75,120	5.67	%	$992,880

Description: Liabilities	**Fair Value**	**Percentage of Net Assets**		**Notional Amount (Long Exposure)**
Commodity futures contracts				
United States natural gas futures contracts				
NYMEX natural gas futures MAR15 (7 contracts)	$8,400	0.63	%	$312,480

The accompanying notes are an integral part of these financial statements.

TEUCRIUM NATURAL GAS FUND

SCHEDULE OF INVESTMENTS

December 31, 2013

Description: Assets	Fair Value	Percentage of Net Assets		Notional Amount (Long Exposure)
Cash equivalents				
Money Market funds				
Dreyfus Cash Management	$1,752,722	98.84	%	
Commodity futures contracts				
United States natural gas futures contracts				
NYMEX natural gas futures MAR14 (10 contracts)	$21,140	1.19	%	$ 419,300
NYMEX natural gas futures APR14 (11 contracts)	17,400	0.98		451,550
NYMEX natural gas futures OCT14 (11 contracts)	23,670	1.34		457,820
NYMEX natural gas futures NOV14 (11 contracts)	21,840	1.23		462,440
Total commodity futures contracts	$84,050	4.74	%	$ 1,791,110

The accompanying notes are an integral part of these financial statements.

TEUCRIUM NATURAL GAS FUND

STATEMENTS OF OPERATIONS

(Unaudited)

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Income				
Realized and unrealized gain (loss) on trading of commodity futures contracts:				
Realized gain (loss) on commodity futures contracts	$68,960	$11,680	$283,150	$(99,059)
Net change in unrealized appreciation or depreciation on commodity futures contracts	(38,490)	(428,040)	(17,330)	64,509
Interest income	92	292	269	780
Total income (loss)	30,562	(416,068)	266,089	(33,770)
Expenses				
Management fees	4,300	9,358	8,434	19,540
Professional fees	7,608	11,370	11,414	18,783
Distribution and marketing fees	6,775	9,484	12,111	22,506
Custodian fees and expenses	1,167	699	3,027	1,459
Business permits and licenses fees	-	-	25,000	5,013
General and administrative expenses	7,139	3,098	7,654	4,221
Brokerage commissions	141	334	349	542
Other expenses	251	453	420	868
Total expenses	27,381	34,796	68,409	72,932
Expenses waived by the Sponsor	(21,355)	(21,057)	(55,197)	(44,263)
Reimbursement of expenses previously waived	-	-	-	-
Total expenses, net	6,026	13,739	13,212	28,669
Net income (loss)	$24,536	$(429,807)	$252,877	$(62,439)

The accompanying notes are an integral part of these financial statements.

TEUCRIUM NATURAL GAS FUND

STATEMENTS OF CHANGES IN NET ASSETS

(Unaudited)

	Six months ended June 30, 2014	Six months ended June 30, 2013
Operations		
Net income (loss)	$252,877	$(62,439)
Capital transactions		
Redemption of Shares	(700,365)	(1,211,768)
Total capital transactions	(700,365)	(1,211,768)
Net change in net assets	(447,488)	(1,274,207)
Net assets, beginning of period	$1,773,255	$4,625,621
Net assets, end of period	$1,325,767	$3,351,414
Net asset value per share at beginning of period	$11.82	$11.56
At end of period	$13.26	$11.17

The accompanying notes are an integral part of these financial statements.

TEUCRIUM NATURAL GAS FUND

STATEMENTS OF CASH FLOWS

(Unaudited)

	Six months ended June 30, 2014	Six months ended June 30, 2013
Cash flows from operating activities:		
Net income (loss)	$252,877	$(62,439)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Net change in unrealized appreciation or depreciation on commodity futures contracts	17,330	(64,509)
Changes in operating assets and liabilities:		
Collateral, due from broker	(13,895)	29,974
Interest receivable	42	82
Other assets	(3,646)	5,441
Collateral, due to broker	(74,157)	-
Management fee payable to Sponsor	(1,671)	(1,105)
Other liabilities	2,293	(328)
Net cash provided by (used in) operating activities	179,173	(92,884)
Cash flows from financing activities:		
Redemption of Shares	(700,365)	(1,211,768)
Net cash used in financing activities	(700,365)	(1,211,768)
Net change in cash and cash equivalents	(521,192)	(1,304,652)
Cash and cash equivalents, beginning of period	1,752,722	4,476,336
Cash and cash equivalents, end of period	$1,231,530	$3,171,684

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

(Unaudited)

Note 1 – Organization and Operation

Teucrium Natural Gas Fund (referred to herein as “NAGS,” or the “Fund”) is a commodity pool that is a series of Teucrium Commodity Trust (“Trust”), a Delaware statutory trust formed on September 11, 2009. The Fund issues common units, called the “Shares,” representing fractional undivided beneficial interests in the Fund. The Fund continuously offers Creation Baskets consisting of 50,000 Shares at their Net Asset Value (“NAV”) to “Authorized Purchasers” through Foreside Fund Services, LLC, which is the distributor for the Fund (the “Distributor”). Authorized Purchasers sell such Shares, which are listed on the New York Stock Exchange (“NYSE”) Arca under the symbol “NAGS,” to the public at per-Share offering prices that reflect, among other factors, the trading price of the Shares on the NYSE Arca, the NAV of the Fund at the time the Authorized Purchaser purchased the Creation Baskets and the NAV at the time of the offer of the Shares to the public, the supply of and demand for Shares at the time of sale, and the liquidity of the markets for natural gas interests. The Fund’s Shares trade in the secondary market on the NYSE Arca at prices that are lower or higher than their NAV per Share.

The investment objective of the Fund is to have the daily changes in percentage terms of the Shares’ NAV reflect the daily changes in percentage terms of a weighted average of the following: the nearest to spot month March, April, October and November Henry Hub Natural Gas Futures Contracts traded on the New York Mercantile Exchange (“NYMEX”), weighted 25% equally in each contract month. (This weighted average of the four referenced Natural Gas Futures Contracts is referred to herein as the “NAGS Benchmark,” and the four Natural Gas Futures Contracts that at any given time make up the Benchmark are referred to herein as the “NAGS Benchmark Component Futures Contracts.”)

The Fund commenced investment operations on February 1, 2011 and has a fiscal year ending December 31. The Fund’s sponsor is Teucrium Trading, LLC (the “Sponsor”). The Sponsor is responsible for the management of the Fund. The Sponsor is a member of the National Futures Association (the “NFA”) and became a commodity pool operator registered with the Commodity Futures Trading Commission (the “CFTC”) effective November 10, 2009.

On October 22, 2010, the Fund’s initial registration of 40,000,000 shares on Form S-1 was declared effective by the U.S. Securities and Exchange Commission (“SEC”). On February 1, 2011, the Fund listed its shares on the NYSE Arca under the ticker symbol “NAGS”. On the day prior to that, the Fund issued 200,000 shares in exchange for $5,000,000 at NAGS’ initial NAV of $25 per share. The Fund also commenced investment operations on February 1, 2011 by purchasing commodity futures contracts traded on the NYMEX. On December 31, 2010, the Fund had two shares outstanding which were owned by the Sponsor.

The accompanying unaudited financial statements have been prepared in accordance with Rule 10-01 of Regulation S-X promulgated by the SEC and, therefore, do not include all information and footnote disclosures required under accounting principles generally accepted in the United States of America ("GAAP"). The financial information included herein is unaudited; however, such financial information reflects all adjustments which are, in the opinion of management, necessary for the fair presentation of the Fund's financial statements for the interim period. It is suggested that these interim financial statements be read in conjunction with the financial statements and related notes included in the Trust's Annual Report on Form 10-K, as well as the most recent Form S-1 filing, as applicable. The operating results for the six months ended June 30, 2014 are not necessarily indicative of the results to be expected for the full year ending December 31, 2014.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as detailed in the Financial Accounting Standards Board's Accounting Standards Codification.

Correction of an immaterial error in previously issued financial statements

Effective with the period ended June 30, 2014, total expenses for the current and comparative periods are presented both gross and net of any expenses waived or paid by the Sponsor that would have been incurred by the Funds ("expenses waived by the Sponsor"). In addition, certain expenses paid by the Sponsor on behalf of the Funds for the years ended December 31, 2012 and 2013 that were subject to possible recovery from the Funds in the following year, as had been previously disclosed in aggregate for the Trust in the Forms 10-K for 2012 and 2013, have also been included in expenses and waived expenses in the year incurred by the Sponsor. These expenses, if reimbursed by the Funds to the Sponsor in 2013 or 2014 are then presented as a reimbursement of expenses previously waived. "Total expenses, net", which is after the impact of any expenses waived by or reimbursed to the Sponsor, are presented in the same manner as previously reported. There is, therefore, no impact to or change in the Net gain or Net loss in any period for the Trust and each Fund as a result of this change in presentation.

Reclassifications

Certain amounts in prior periods may have been reclassified to conform to current period presentation.

Revenue Recognition

Commodity futures contracts are recorded on the trade date. All such transactions are recorded on the identified cost basis and marked to market daily. Unrealized appreciation or depreciation on commodity futures contracts are reflected in the statements of operations as the difference between the original contract amount and the fair market value as of the last business day of the year or as of the last date of the financial statements. Changes in the appreciation or depreciation between periods are reflected in the statements of operations. Interest on cash equivalents and deposits with the Futures Commission Merchant are recognized on the accrual basis. The Fund earns interest on its assets denominated in U.S. dollars on deposit with the Futures Commission Merchant. In addition, the Fund earns interest on funds held at the custodian at prevailing market rates for such investments.

Brokerage Commissions

Brokerage commissions on all open commodity futures contracts are accrued on a full-turn basis.

Income Taxes

For tax purposes, the Fund will be treated as a partnership. The Fund does not record a provision for income taxes because the partners report their share of the Fund's income or loss on their income tax returns. The financial statements reflect the Fund's transactions without adjustment, if any, required for income tax purposes.

The Fund is required to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Fund files an income tax return in the U.S. federal jurisdiction, and may file income tax returns in various U.S. states and foreign jurisdictions. The Fund is subject to income tax examinations by major taxing authorities for all tax years since inception. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized results in the Fund recording a tax liability that reduces net assets. Based on its analysis, the Fund has determined that it has not incurred any liability for unrecognized tax benefits as of June 30, 2014 and December 31, 2013. However, the Fund's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, ongoing analysis of and changes to tax laws, regulations, and interpretations thereof.

The Fund recognizes interest accrued related to unrecognized tax benefits and penalties related to unrecognized tax benefits in income tax fees payable, if assessed. No interest expense or penalties have been recognized as of and for the periods ended June 30, 2014 and 2013.

The Fund may be subject to potential examination by U.S. federal, U.S. state, or foreign jurisdictional authorities in the area of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, and compliance with U.S. federal, U.S. state and foreign tax laws. The Fund's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

Creations and Redemptions

Authorized Purchasers may purchase Creation Baskets consisting of 50,000 shares from the Fund. The amount of the proceeds required to purchase a Creation Basket will be equal to the NAV of the shares in the Creation Basket determined as of 4:00 p.m. New York time on the day the order to create the basket is properly received.

Authorized Purchasers may redeem shares from the Fund only in blocks of 50,000 shares called "Redemption Baskets." The amount of the redemption proceeds for a Redemption Basket will be equal to the NAV of the shares in the Redemption Basket determined as of 4:00 p.m. New York time on the day the order to redeem the basket is properly received.

The Fund receives or pays the proceeds from shares sold or redeemed within six business days after the trade date of the purchase or redemption. The amounts due from Authorized Purchasers are reflected in the Fund's statements of assets and liabilities as receivable for shares sold. Amounts payable to Authorized Purchasers upon redemption are reflected in the Fund's statements of assets and liabilities as payable for shares redeemed.

As outlined in the most recent Form S-1 filing, 100,000 shares represents two Redemption Baskets for the Fund and a minimum level of shares.

Effective May 5, 2014, the Fund had a minimum number of shares outstanding and this situation continued through June 30, 2014. No redemptions can be made until additional shares are created.

Allocation of Shareholder Income and Losses

Profit or loss is allocated among the shareholders of the Fund in proportion to the number of shares each shareholder holds as of the close of each month.

Cash Equivalents

Cash equivalents are highly-liquid investments with original maturity dates of six months or less at inception. The Fund reported its cash equivalents in the statements of assets and liabilities at market value, or at carrying amounts that approximate fair value, because of their highly-liquid nature and short-term maturities. The Fund has a substantial portion of its assets on deposit with banks. Assets deposited with the bank may, at times, exceed federally insured limits. The Fund had a balance of $1,231,530 and $1,752,722 in money market funds on June 30, 2014 and December 31, 2013, respectively; these balances are included in cash and cash equivalents on the statements of assets and liabilities.

Collateral, Due from/to Broker

Margin is the minimum amount of funds that must be deposited by a commodity interest trader with the trader's broker to initiate and maintain an open position in futures contracts. A margin deposit acts to assure the trader's performance of the futures contracts purchased or sold. Futures contracts are customarily bought and sold on initial margin that represents a very small percentage of the aggregate purchase or sales price of the contract. Because of such low margin requirements, price fluctuations occurring in the futures markets may create profits and losses that, in relation to the amount invested, are greater than are customary in other forms of investment or speculation. As discussed below, adverse price changes in the futures contract may result in margin requirements that greatly exceed the initial margin. In addition, the amount of margin required in connection with a particular futures contract is set from time to time by the exchange on which the contract is traded and may be modified from time to time by the exchange during the term of the contract. Brokerage firms, such as the Fund's clearing brokers, carrying accounts for traders in commodity interest contracts generally require higher amounts of margin as a matter of policy to further protect themselves. Over-the-counter trading generally involves the extension of credit between counterparties, so the counterparties may agree to require the posting of collateral by one or both parties to address credit exposure.

When a trader purchases an option, there is no margin requirement; however, the option premium must be paid in full. When a trader sells an option, on the other hand, he or she is required to deposit margin in an amount determined by the margin requirements established for the underlying interest and, in addition, an amount substantially equal to the current premium for the option. The margin requirements imposed on the selling of options, although adjusted to reflect the probability that out-of-the-money options will not be exercised, can in fact be higher than those imposed in dealing in the futures markets directly. Complicated margin requirements apply to spreads and conversions, which are complex trading strategies in which a trader acquires a mixture of options positions and positions in the underlying interest.

Ongoing or "maintenance" margin requirements are computed each day by a trader's clearing broker. When the market value of a particular open futures contract changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a margin call is made by the broker. If the margin call is not met within a reasonable time, the broker may close out the trader's position. With respect to the Fund's trading, the Fund (and not its shareholders personally) is subject to margin calls.

Finally, many major U.S. exchanges have passed certain cross margining arrangements involving procedures pursuant to which the futures and options positions held in an account would, in the case of some accounts, be aggregated and margin requirements would be assessed on a portfolio basis, measuring the total risk of the combined positions.

Calculation of Net Asset Value

The Fund's NAV is calculated by:

- Taking the current market value of its total assets and

- Subtracting any liabilities.

The administrator, the Bank of New York Mellon, calculates the NAV of the Fund once each trading day. It calculates the NAV as of the earlier of the close of the NYSE or 4:00 p.m. New York time. The NAV for a particular trading day is released after 4:15 p.m. New York time.

In determining the value of Natural Gas Futures Contracts, the administrator uses the NYMEX closing price. The administrator determines the value of all other Fund investments as of the earlier of the close of the NYSE or 4:00 p.m. New York time. The value of over-the-counter natural gas interests is determined based on the value of the commodity or futures contract underlying such natural gas interest, except that a fair value may be determined if the Sponsor believes that the Fund is subject to significant credit risk relating to the counterparty to such natural gas interest. For purposes of financial statements and reports, the Sponsor will recalculate the NAV where necessary to reflect the "fair value" of a Futures Contract when the Futures Contract closes at its price fluctuation limit for the day. Treasury securities held by the Fund are valued by the administrator using values received from recognized third-party vendors and dealer quotes. NAV includes any unrealized profit or loss on open natural gas interests and any other income or expense accruing to the Fund but unpaid or not received by the Fund.

Market value per share represents the closing price on the last trading day of the quarter as reported by the NYSE Arca. If such a closing price is not available, the bid/ask midpoint at 4 p.m. as reported by the NYSE Arca was used.

Sponsor Fee and Allocation of Expenses

The Sponsor is responsible for investing the assets of the Fund in accordance with the objectives and policies of the Fund. In addition, the Sponsor arranges for one or more third parties to provide administrative, custodial, accounting, transfer agency and other necessary services to the Fund. For these services, the Fund is contractually obligated to pay a monthly management fee to the Sponsor, based on average daily net assets, at a rate equal to 1.00% per annum.

The Fund generally pays for all brokerage fees, taxes and other expenses, including licensing fees for the use of intellectual property, registration or other fees paid to the SEC, the Financial Industry Regulatory Authority ("FINRA"), formerly the National Association of Securities Dealers, or any other regulatory agency in connection with the offer and sale of subsequent Shares after its initial registration and all legal, accounting, printing and other expenses associated therewith. The Fund also pays its portion of the fees and expenses associated with the Trust's tax accounting and reporting requirements. Certain aggregate expenses common to all Funds managed by the Sponsor are allocated to each Fund based on activity drivers deemed most appropriate by the Sponsor for such expenses. The Sponsor can elect to waive certain fees or expenses that would generally be paid for by the Fund. All asset-based fees and expenses are calculated on the prior day's net assets. On July 29, 2011, the Sponsor filed a Form 8-K with the SEC which stated that effective August 1, 2011, the Sponsor has agreed to voluntarily cap the management fee and expenses of NAGS at 1.5% per annum of the daily net assets of the Fund. The cap may be terminated by the Sponsor at any time with 90 days' notice.

For the year ended December 31, 2013, there were approximately $15,400 of expenses recorded in the financial statements of the Sponsor which were subject to reimbursement by NAGS in 2013. At that time, the Sponsor had determined that recovery of the expense amounts was not probable. For the three and six months ended June 30, 2013, the Sponsor received no subsequent reimbursement for the expenses.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value - Definition and Hierarchy

In accordance with U.S. GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Fund uses various valuation approaches. In accordance with U.S. GAAP, a fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into six levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls, is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Fund's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Fund uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy. When such a situation exists on a quarter close, the Sponsor will calculate the NAV on a particular day using the Level 1 valuation, but will later recalculate the NAV for the impacted Fund based upon the valuation inputs from these alternative verifiable sources (Level 2 or Level 3) and will report such NAV in its applicable financial statements and reports.

On June 30, 2014, December 31, 2013 and June 30, 2013, in the opinion of the Trust and the Fund, the reported value of the Natural Gas Futures Contracts traded on the NYMEX fairly reflected the value of the Natural Gas Futures Contracts held by the Fund, and no adjustments were necessary.

The Fund records its derivative activities at fair value. Gains and losses from derivative contracts are included in the statements of operations. Derivative contracts include futures contracts related to commodity prices. Futures, which are listed on a national securities exchange, such as the CBOT or the NYMEX, or reported on another national market, are generally categorized in Level 1 of the fair value hierarchy. OTC derivatives contracts (such as forward and swap contracts) which may be valued using models, depending on whether significant inputs are observable or unobservable, are categorized in Levels 2 or 3 of the fair value hierarchy.

Net Income (Loss) per Share

Net income (loss) per share is the difference between the NAV per unit at the beginning of each period and at the end of each period. The weighted average number of units outstanding was computed for purposes of disclosing net income (loss) per weighted average unit. The weighted average units are equal to the number of units outstanding at the end of the period, adjusted proportionately for units created or redeemed based on the amount of time the units were outstanding during such period.

New Accounting Pronouncements

The FASB issued ASU No, 2013-07, "Presentation of Financial Statements (Topic 205): Liquidation Basis of Accounting. The amendments in this Update are being issued to clarify when an entity should apply the liquidation basis of accounting. In addition, the guidance provides principles for the recognition and measurement of assets and liabilities and requirements for financial statements prepared using the liquidation basis of accounting. The amendments are effective for entities that determine liquidation is imminent during annual reporting periods beginning after December 15, 2013, and interim reporting periods therein. The adoption did not have a significant impact on the financial statements disclosures for the Trust or the Funds.

The FASB issued ASU No, 2013-10, "Derivatives and Hedging (Topic 815): Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes. The amendments in this Update permit the Fed Funds Effective Swap Rate (OIS) to be used as a U.S. benchmark interest rate for hedge accounting purposes under Topic 815, in addition to UST and LIBOR. The amendments also remove the restriction on using different benchmark rates for similar hedges. The amendments are effective prospectively for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013. The adoption did not have a significant impact on the financial statements disclosures for the Trust or the Funds.

The FASB issued ASU No. 2013-08, "Financial Services-Investment Companies (Topic 946)-Amendments to the Scope, Measurement, and Disclosure Requirements". ASU No. 2013-08 affects the scope, measurement, and disclosure requirements for investment companies under U.S. GAAP. ASU 2013-08 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2013. The adoption did not have a material impact on the financial statements for the Trust or the Funds.

Note 3 – Fair Value Measurements

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy as described in the Fund's significant accounting policies in Note 2. The following table presents information about the Fund's assets and liabilities measured at fair value as of June 30, 2014 and December 31, 2013:

June 30, 2014

Assets:	Level 1	Level 2	Level 3	Balance as of June 30, 2014
Cash equivalents	$1,231,530	$ -	$ -	$1,231,530
Commodity futures contracts	75,120	-	-	75,120
Total	$1,306,650	$ -	$ -	$1,306,650

Liabilities:	Level 1	Level 2	Level 3	Balance as of June 30, 2014
Commodity futures contracts	$8,400	$ -	$ -	$8,400

December 31, 2013

Assets:	Level 1	Level 2	Level 3	Balance as of December 31, 2013
Cash equivalents	$1,752,722	$ -	$ -	$ 1,752,722
Commodity futures contracts	84,050	-	-	84,050
Total	$1,836,772	$ -	$ -	$ 1,836,772

For the six months ended June 30, 2014 and 2013, the Fund did not have any significant transfers between any of the levels of the fair value hierarchy.

Note 4 – Derivative Instruments and Hedging Activities

In the normal course of business, the Fund utilizes derivative contracts in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Fund's derivative activities and exposure to derivative contracts are classified by the following primary underlying risks: interest rate, credit, commodity price, and equity price risks. In addition to its primary underlying risks, the Fund is also subject to additional counterparty risk due to inability of its counterparties to meet the terms of their contracts. For the six months ended June 30, 2014 and 2013, the Fund invested only in commodity futures contracts.

Futures Contracts

The Fund is subject to commodity price risk in the normal course of pursuing its investment objectives. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

The purchase and sale of futures contracts requires margin deposits with a Futures Commission Merchant ("FCM"). Subsequent payments (variation margin) are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, and are recorded as unrealized gains or losses by the Fund. Futures contracts may reduce the Fund's exposure to counterparty risk since futures contracts are exchange-traded; and the exchange's clearinghouse, as the counterparty to all exchange-traded futures, guarantees the futures against default.

The Commodity Exchange Act requires an FCM to segregate all customer transactions and assets from the FCM's proprietary activities. A customer's cash and other equity deposited with an FCM are considered commingled with all other customer funds subject to the FCM's segregation requirements. In the event of an FCM's insolvency, recovery may be limited to the Fund's pro rata share of segregated customer funds available. It is possible that the recovery amount could be less than the total of cash and other equity deposited.

The following table discloses information about offsetting assets and liabilities presented in the statements of assets and liabilities to enable users of these financial statements to evaluate the effect or potential effect of netting arrangements for recognized assets and liabilities. These recognized assets and liabilities are presented as defined in the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2011-11 "Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities" and subsequently clarified in FASB ASU 2013-01 "Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities."

The following table also identifies the fair value amounts of derivative instruments included in the statements of assets and liabilities as derivative contracts, categorized by primary underlying risk as of June 30, 2014 and December 31, 2013.

Offsetting of Financial Assets and Derivative Assets as of June 30, 2014

	(i)	(ii)	(iii) = (i) – (ii)	(iv)		(v) = (iii) – (iv)
				Gross Amount Not Offset in the Statement of Assets and Liabilities		
Description	Gross Amount of Recognized Assets	Gross Amount Offset in the Statement of Assets and Liabilities	Net Amount Presented in the Statement of Assets and Liabilities	Financial Instruments	Cash Collateral Received	Net Amount
Commodity price						
Natural gas futures contracts	$ 75,120	$ -	$ 75,120	$ 8,400	$ -	$ 66,720

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Offsetting of Financial Liabilities and Derivative Liabilities as of June 30, 2014

	(i)	(ii)	(iii) = (i) – (ii)	(iv)		(v) = (iii) – (iv)
				Gross Amount Not Offset in the Statement of Assets and Liabilities		
Description	Gross Amount of Recognized Liabilities	Gross Amount Offset in the Statement of Assets and Liabilities	Net Amount Presented in the Statement of Assets and Liabilities	Financial Instruments	Cash Collateral Pledged	Net Amount
Commodity price						
Natural gas futures contracts	$ 8,400	$ -	$ 8,400	$ 8,400	$ -	$ -

Offsetting of Financial Assets and Derivative Assets as of December 31, 2013

	(i)	(ii)	(iii) = (i) – (ii)	(iv)		(v) = (iii) – (iv)
				Gross Amount Not Offset in the Statement of Assets and Liabilities		
Description	Gross Amount of Recognized Assets	Gross Amount Offset in the Statement of Assets and Liabilities	Net Amount Presented in the Statement of Assets and Liabilities	Financial Instruments	Cash Collateral Received	Net Amount
Commodity price						
Natural gas futures contracts	$ 84,050	$ -	$ 84,050	$ -	$ 74,157	$ 9,893

The following tables identify the net gain and loss amounts included in the statements of operations as realized and unrealized gains and losses on trading of commodity futures contracts categorized by primary underlying risk:

Three months ended June 30, 2014

Primary Underlying Risk	Realized Gain on Derivative Instruments	Net Change in Unrealized Loss on Derivative Instruments
Commodity price		
Commodity futures contracts	$ 68,960	$ (38,490)

Three months ended June 30, 2013

Primary Underlying Risk	Realized Gain on Derivative Instruments	Net Change in Unrealized Loss on Derivative Instruments
Commodity price		
Commodity futures contracts	$ 11,680	$ (428,040)

Six months ended June 30, 2014

Primary Underlying Risk	Realized Gain on Derivative Instruments	Net Change in Unrealized Loss on Derivative Instruments
Commodity price		
Commodity futures contracts	$ 283,150	$ (17,330)

Six months ended June 30, 2013

Primary Underlying Risk	Realized Loss on Derivative Instruments	Net Change in Unrealized Gain on Derivative Instruments
Commodity price		
Commodity futures contracts	$ (99,059)	$ 64,509

Volume of Derivative Activities

The notional amounts and number of contracts categorized by primary underlying risk, commodity price risk, are included in the schedule of investments as of June 30, 2014 and December 31, 2013.

Note 5 – Financial Highlights

The following table presents per unit performance data and other supplemental financial data for the six months ended June 30, 2014 and 2013. This information has been derived from information presented in the financial statements. This information has been derived from information presented in the financial statements and is presented with total expenses gross of expenses waived by the Sponsor and with total expenses net of expenses waived by the Sponsor, as appropriate.

Per Share Operation Performance	Six months ended June 30, 2014	Six months ended June 30, 2013
Net asset value at beginning of period	$ 11.82	$ 11.56
Income from investment operations:		
Investment income	-	-
Net realized and unrealized gain (loss) on commodity futures contracts	1.54	(0.29)
Total expenses, net	(0.10)	(0.10)
Net increase (decrease) in net asset value, net of expenses waived by the Sponsor	1.44	(0.39)
Net asset value at end of period	$ 13.26	$ 11.17
Total Return	12.18 %	(3.37)%
Ratios to Average Net Assets		
Total expenses	7.70 %	3.73 %
Total expenses, net	1.48 %	1.47 %
Net investment loss	(1.45)%	(1.43)%

Total returns are calculated based on the change in value during the period. An individual shareholder's total return and ratios may vary from the above total returns and ratios based on the timing of contributions to and withdrawals from the Fund. The ratios have been annualized.

The financial highlights per share data are calculated using the average of the daily shares outstanding for the reporting period, which is inclusive of the last day of the period under report. The asset-based per share data in the financial highlights are calculated using the prior day's net assets consistent with the methodology used to calculate asset-based fees and expenses.

On July 29, 2011, the Sponsor filed a Form 8-K with the SEC which stated that effective August 1, 2011, the Sponsor has agreed to voluntarily cap the management fee and expenses of NAGS at 1.5% per annum of the daily net assets of the Fund. The cap may be terminated by the Sponsor at any time with 90 days' notice.

Note 6 – Organizational and Offering Costs

Expenses incurred in organizing of the Trust and the initial offering of the Shares of the Fund, including applicable SEC registration fees were borne directly by the Sponsor. The Fund will not be obligated to reimburse the Sponsor.

Note 7 – Subsequent Events

Subsequent events have been reviewed through the date of this filing. The following subsequent events transpired for the Fund:

On June 30, 2014, KPMG LLP ("KPMG") acquired certain assets of ROTHSTEIN-KASS, P.A. (d/b/a Rothstein Kass & Company, P.C.) and certain of its affiliates ("Rothstein Kass"), the independent registered public accounting firm for the Teucrium Commodity Trust (the "Trust"), the Teucrium Corn Fund, the Teucrium Natural Gas Fund, the Teucrium WTI Crude Oil Fund, the Teucrium Soybean Fund, the Teucrium Sugar Fund, the Teucrium Wheat Fund, and the Teucrium Agricultural Fund (collectively, the "Funds"). As a result of this transaction, on June 30, 2014, Rothstein Kass resigned as the independent registered public accounting firm for the Trust and the Funds. Concurrent with such resignation, the authorized officers of Teucrium Trading, LLC, the Sponsor of the Trust and the Funds (the "Sponsor"), approved the engagement of KPMG as the new independent registered public accounting firm for the Trust and the Funds subject to KPMG completing its standard client evaluation procedures and accepting the engagement. On July 7, 2014, the Trust filed a Form 8-K, dated June 30, 2014, with information regarding the KPMG acquisition and the impact to the Trust and the Funds. Effective July 29, 2014 KPMG completed its client evaluation procedures and accepted the engagement; a Form 8-K was filed on August 1, 2014 stating such.

From July 1, 2014 through August 1, 2014, the following changes of 10% or greater occurred in Shares Outstanding, NAV per share and Total Net Assets for the Fund: the Shares Outstanding for the Fund remained constant while the NAV per share decreased by 11.54%. This resulted in a decrease in Total Net Assets of $152,687 or 11.52%.

TEUCRIUM WTI CRUDE OIL FUND

STATEMENTS OF ASSETS AND LIABILITIES

Assets	June 30, 2014 (Unaudited)	December 31, 2013
Equity in BNY Mellon trading accounts:		
Cash and cash equivalents	$ 2,172,203	$ 1,962,616
Commodity futures contracts	196,210	87,530
Interest receivable	139	131
Other assets	17,188	27,546
Total assets	2,385,740	2,077,823
Liabilities		
Commodity futures contracts	-	5,080
Collateral, due to broker	142,990	23,445
Other liabilities	5,302	170
Total liabilities	148,292	28,695
Net assets	$ 2,237,448	$ 2,049,128
Shares outstanding	50,002	50,002
Net asset value per share	$ 44.75	$ 40.98
Market value per share	$ 44.46	$ 40.34

The accompanying notes are an integral part of these financial statements.

TEUCRIUM WTI CRUDE OIL FUND

SCHEDULE OF INVESTMENTS

June 30, 2014

(Unaudited)

Description: Assets	Fair Value	Percentage of Net Assets		Notional Amount (Long Exposure)
Cash equivalents				
Money Market funds				
Dreyfus Cash Management	$2,172,203	97.08	%	
Commodity futures contracts				
United States WTI crude oil futures contracts				
WTI crude oil futures DEC14 (8 contracts)	$97,230	4.35	%	$817,440
WTI crude oil futures JUN15 (7 contracts)	37,420	1.67		684,180
WTI crude oil futures DEC15 (8 contracts)	61,560	2.75		756,960
Total commodity futures contracts	$196,210	8.77	%	$2,258,580

The accompanying notes are an integral part of these financial statements.

TEUCRIUM WTI CRUDE OIL FUND

SCHEDULE OF INVESTMENTS

December 31, 2013

Description: Assets	Fair Value	Percentage of Net Assets		Notional Amount (Long Exposure)
Cash equivalents				
Money Market funds				
Dreyfus Cash Management	$1,962,616	95.78	%	
Commodity futures contracts				
United States WTI crude oil futures contracts				
WTI crude oil futures JUN14 (7 contracts)	$61,910	3.02	%	$680,960
WTI crude oil futures DEC14 (7 contracts)	25,620	1.25		649,040
Total commodity futures contracts	$87,530	4.27	%	$1,330,000

Description: Liabilities	**Fair Value**	**Percentage of Net Assets**		**Notional Amount (Long Exposure)**
Commodity futures contracts				
United States WTI crude oil futures contracts				
WTI crude oil futures DEC15 (8 contracts)	$5,080	0.25	%	$690,320

The accompanying notes are an integral part of these financial statements.

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TEUCRIUM WTI CRUDE OIL FUND

STATEMENTS OF OPERATIONS

(Unaudited)

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Income				
Realized and unrealized gain (loss) on trading of commodity futures contracts:				
Realized gain (loss) on commodity futures contracts	$93,280	$(77,810)	$93,280	$(87,130)
Net change in unrealized appreciation or depreciation on commodity futures contracts	59,110	15,180	113,760	67,790
Interest income	169	238	363	502
Total income (loss)	152,559	(62,392)	207,403	(18,838)

Expenses