

## BUILDING AND ESTABLISHING TRUST

**Not all conversations are easy. Or maybe a better way to say it is - some conversations and situations are more enjoyable than others. Communicating good news, such as an employee's promotion, a loan approval, or an award is far more enjoyable than delivering bad news, which could include termination, a loan denial, or financial hardship. When a challenging conversation needs to happen, I try to prepare myself by finding a quiet place, having notes ready, putting my listening cap on, and reminding myself to remain open-minded during the conversation.**

One conversation and situation comes to mind from many years ago, when I was anticipating some debate and discussion from a fellow colleague. After opening up the conversation by sharing my point of view and encouraging dialogue, I sat back and remained silent for what seemed like an eternity. The person on the other line simply said, "Jeff, I TRUST you." I remember staring at my notes, preparing for my rebuttal, but wait a second, what did I just hear? After more silence, the person on the other line said it again, "Jeff, I said I TRUST you, let's proceed."

It's a conversation I hadn't thought about much until a recent conference I attended and a speaker talked about the importance of TRUST in an organization and in our daily lives. I'm not talking about blind TRUST, one-sided TRUST, or just tell me what I want to hear TRUST; I'm talking about real TRUST.

Listening to the speaker, it had me thinking back to my conversation and how it positively affected our work and personal relationship. From that moment forward, neither one of us had to be guarded with our thoughts, which led to higher productivity and long-term respect that exists today.

It also had me reflect and wonder how that TRUST was built and challenge myself and our bankers to continue to build TRUST with our clients today. Is there a magic formula for building TRUST in today's challenging times? Do you build more TRUST with clients during good times or challenging times? What words come to mind when you think of TRUST? Words such as honesty, dependability, and consistency are some of the first things that come to my mind.

How important is TRUST to you and do you feel like TRUST is a part of society today? It seems in today's world there is a winner takes all mentality and TRUSTING someone can sometimes be perceived as being gullible or naive.

TRUST is important to me and should be important to you and the bank you do business with. Thank you for TRUSTING DAKOTA MAC with your finances.

Keep Digging Deeper,



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## PLANNING AND EXECUTING

BY: JIM PERSINGER

As we start a new year, we have the opportunity to see the financial performance of our Ag clients for 2018. Approximately one year ago, we worked with our clients to plan for the upcoming year. These plans included many variables, such as marketing strategies, crop and livestock production, capital expenditures, sales, operating expenses, etc. We then consolidate the plan and come up with a cash flow projection for the upcoming year.

Now, as part of our annual review, we compare the actual numbers to the projected cash flow. If there are significant gaps between the projections and the actual, we ask our clients to articulate and document reasons for this. Answers will vary, but the usual big denominator is whether or not the plan was executed. If the plan wasn't executed, what changed and how did this positively or negatively affect the results and year-end performance?

One of our current marketing initiatives includes the phrase "Dig Deeper". Keep in mind, if you only plan to Dig but then never Dig, your results will be at the mercy of the market and will not be strategic. Keep Digging by not only planning, but also executing on your plan. We look forward to Digging Deeper with you in 2019.

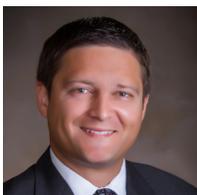
Mark your calendar for **AgriVisions 2019** featuring Chad Colby and Travis Potter. Dates as follows: **February 20** - Sioux Falls at 10:00AM and Mitchell at 7:00PM. **February 21** - Pierre at 10:00AM and Yankton at 7:00PM. More information will be coming soon.

## OUR TEAM



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## LATEST REAL ESTATE MARKET CHANGES

BY: NATHAN SPARKS

One year ago I asked the question: Are the corrections to land values starting to stabilize? In my opinion looking at the statistics published by USDA's National Agricultural Statistics Service (NASS), they have stabilized. With that said, there are parts of our region experiencing stable markets and others experiencing a decrease; however, on the average across each state it appears to be stable.

I've witnessed several recent cropland sales in the immediate Mitchell, SD area which are off from South Dakota's high. I've also traveled to western South Dakota and noticed pasture land is very stable and up in some cases. This follows suit with the table noted below. There are many different situations driving the motivation of potential buyers and sellers of land. We currently sit on a relatively low supply of real estate which stabilizes the market to some degree even with depressed commodity markets.

The chart below illustrates recent land market changes to cropland and pasture values as reported by NASS in August 2018. The change below is an annualized change from August 2017 to August 2018 for each category. Feel free to call your Dakota MAC LPO for additional information in other states or land categories related to Ag real estate values.

STATE	NON-IRRIGATED	PASTURE
Iowa	No Change	No Change
Kansas	2.0	No Change
Minnesota	No Change	No Change
Nebraska	-0.2	8.6
North Dakota	No Change	-2.4
South Dakota	-1.8	2.8

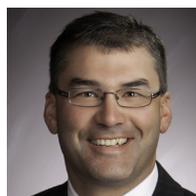
Source: USDA NASS

Dakota MAC is a proud arena sponsor of the **Black Hills Stock Show** at the Central States Fairgrounds in Rapid City on **January 25 - February 3**. Join us at the show.



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