



January 2018

DakotaMAC DIRT

A DIVISION OF
FIRST DAKOTA NATIONAL BANK



dakotamac.com | 800.682.4578

Member FDIC

Helping the Next Generation?

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Who gave you your first break? Who opened a “door” for you? It seems like yesterday when I started my banking career; and now that we have turned the page on another year, I can take the opportunity to look back and reflect. At least for me, the older I get, the more I appreciate the people who have invested in me by offering advice, listening, or leading by their own example.

You see, my son, who is 18 and a high school senior, has been looking at colleges and actually asking me for advice. He has been quite inquisitive on how I ended up with my job and the people that helped me. It has been a nice opportunity to share stories with my son of people that truly shaped me and my career with their unconditional, selfless acts.



It seems like yesterday when I started my banking career at The Bank of Madison in Madison, Nebraska. I vividly remember my first day. It was 1993, I wore my new glasses (I had never worn glasses) to look more professional, grabbed a cup of STEAMING hot coffee (I had never drank coffee in college), and wore my new olive green suit (yes, I said olive green). I had the opportunity to spend the morning with the President, the late Dale Walkenhorst, and I'll never forget what he told me. He said, “Jeff, you will be exposed to many people’s personal finances, and there is zero tolerance for you to share that with anybody outside of this bank.” Wow, was that great advice and something that I will always remember! Dale not only verbalized the importance of client privacy, but he also put his words into action by living it every day. Thank you Dale for emphasizing the importance of integrity and privacy in banking.

After spending two irreplaceable and memorable years at The Bank of Madison, my fiancé - now wife, had an opportunity to pursue her Master’s Degree at University of South Dakota, which meant we would be moving. Once again, I needed to lean on connections I had established while I attended college at Mount Marty in Yankton. Fortunately, my wife’s assistant basketball coach in college, Tom Roberts, was aware of our situation and a job opening at First Dakota in their Dakota MAC Department. Tom suggested to Denny Everson that he interview me and 22 years later, I am fortunate to still be part of this organization. Thank you Tom and Denny for giving me a chance.

I relate our Beginning Farmer program at First Dakota as a way to assist producers and give them a break. Our Ag President, Nate Franzén, has assembled some of the best speakers and advisors in the country for this program. It not only provides a format for continuing education, but also a phenomenal way to connect with other farmers and ranchers in the Midwest. I see this as a great example of how First Dakota is reinvesting in the future of our industry by “opening doors”. If you have somebody interested, please ask your Loan Production Officer for more information. Thank you Nate and the entire First Dakota Management team for supporting this program.

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AGRIVISIONS[®] 2018 THE MOVING PARTS OF AG

featuring Kevin Van Trump

SIoux FALLS TUESDAY, FEBRUARY 13, 2018

Ramkota Conference Center, 3200 W Maple Street
10:00AM - 10:30AM registration, 10:30AM Kevin Van Trump
lunch following

MITCHELL TUESDAY, FEBRUARY 13, 2018

Mitchell Technical Institute Technology Center, 1800 East Spruce
6:30PM - 7:00PM registration, 7:00PM Kevin Van Trump
ice cream social following

PIERRE WEDNESDAY, FEBRUARY 14, 2018

Best Western Ramkota, 920 West Sioux Avenue
11:30AM - 12:00PM registration, 12:00PM lunch
1:00PM Kevin Van Trump

YANKTON THURSDAY, FEBRUARY 15, 2018

Best Western Kelly Inn, 1607 East Hwy 50
6:30PM - 7:00PM registration, 7:00PM Kevin Van Trump
ice cream social following

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Continued - Helping the Next Generation?

All of us have people that have influenced our lives in a positive way. Are you repaying the favor to the next generation? How are you helping the next generation of farmers and ranchers? In 2018, I want to do a more consistent job of not only being grateful for those that have helped me, but also demonstrate the same selflessness by helping others. Happy New Year!

Until the next DIRT.

Jeff

Your Financial Statement: Build It-Know it-Own it by Boyd Mignery

Happy New Year! As I reflect back on 2017 and prepare for 2018, the one thing that sticks with me is the importance of producers understanding their financial statements. Loan decisions and renewals are processed much more timely when a producer builds a financial statement, knows the numbers, and takes ownership.

A good understanding of your financial position and performance provides a platform to quantify gains or losses, which allows you to consider changes in the operation and/or realign goals for the future. At Dakota Mac we understand and appreciate the challenging decisions and associated risks involved in production agriculture. Partner with Dakota MAC and make a New Year's resolution to own your financial statement in 2018.

Latest Real Estate Market Changes by Nathan Sparks

Are the corrections to land values starting to stabilize? According to the chart below, Iowa and Minnesota did post a gain in land values between August 2016 and August 2017. Prior to 2017, Iowa had experienced the largest correction in land values; however, only the pasture showed a decline and non-irrigated was actually up slightly. Take a look at the chart and you will see that the opposite was true in Nebraska where non-irrigated was actually down and pasture was up.

Farm and ranch operating profits continue to be pressured by depressed commodity prices, however we are seeing improved cattle prices from one year ago. Long-term interest rates continue to be relatively low which helps when producers are looking to finance real estate purchases. I've attended a number of land sales in the past 3 months and have noticed producers and non-producers alike, interested in purchasing or investing in Ag real estate, which is encouraging even with current commodity prices.

Feel free to call your Dakota MAC Loan Production Officer for additional information in other states or land categories related to Ag real estate values.

I wish each of you the very best in 2018.

STATE	NON-IRRIGATED	PASTURE
Iowa	1.3	-8.8
Kansas	-3..9	-0.8
Minnesota	1.1	3.0
Nebraska	-6.2	2.2
North Dakota	No Change	2.4
South Dakota	-5.4	3.9

Source: USDA NASS
Time frame: August 2016 - August 2017



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