

DIRT

A QUARTERLY NEWSLETTER BY DAKOTA MAC

January 2022

YOU SAY GOODBYE AND I SAY HELLO!

Happy New Year, goodbye to 2021, and hello to 2022. Are you ready? Before I talk about the new year, I'd like to take a moment and thank each one of our clients for their continued loyalty and support of Dakota MAC. I would also like to extend my gratitude to our extraordinary team at Dakota MAC and First Dakota. A third nod goes to our partners in the industry that allow us to deliver the products and services our clients deserve. Without all of you, none of our success would be possible.

In 2021, Dakota MAC originated \$140 Million in loans, which is second only to 2020, when we surpassed \$170 Million. In addition to our originations, we had additional highlights:

- Exceeded \$700 Million in managed assets
- Experienced our lowest level of past due loans in our history
- Enhanced FSA Drive and built on our status as the nation's first FSA Preferred Lender
- And much more!

Our parent company, First Dakota, is celebrating 150 years in business in 2022. The year will be filled with celebrations, a fresh start, and even a new logo! Although Dakota MAC has "only" been around since 1993, I feel like we have played a significant role in the growth that First Dakota has experienced. I'm so grateful to work for a company that not only strategically plans for the future but also pauses, smells the roses, and celebrates. Keep informed at FirstDakota.com for all the fun celebrations throughout 2022.



Some may forget that Dakota MAC is part of First Dakota, with over \$5 Billion in managed assets, 350+ employees, 18 locations, and don't forget that

BY JEFF WOLFGRAM
DAKOTA MAC MANAGER
& SENIOR VICE PRESIDENT



we are privately owned, with deep roots in the Midwest. We are more than "...two guys in a truck looking for loans", as someone referred to Dakota MAC, a few years ago.

So how has First Dakota not only survived 150 years but thrived? What's the secret sauce? It is actually within First Dakota's Mission Statement... **To anticipate, meet, and exceed our customers' expectations. We strengthen our communities by providing time, talent, and resources.**

I want to focus on the first part of this statement... anticipate, meet, and exceed our customers' expectations. I think it's vital to our success, and it's a big part of the value we deliver. How do we *anticipate* our clients' expectations? Another way to look at it would be - do we listen to our customers and then clearly communicate what to expect to ensure we, at a minimum, meet their expectations?

You say yes, and I say no. I recently met with clients who offered candid feedback after a closing that didn't go as *they* had anticipated. After intently listening to their feedback, it became apparent there was a gap between *our* expectations and *theirs*. Before meeting with them, I assumed the process went well. What I found was, we didn't establish the expectations at the start. If we had listened to their expectations or communicated what to expect, the process would have gone smoother.

One of the first sayings I heard when I started here in 1995 and served as a Credit Analyst for Dakota MAC, was "under-promise and over-deliver." A friend of mine, Art Van Vorhees, would often say this to me when I sent him a credit for approval. In other words, Art was telling me, "Don't promise your clients they are approved until they are actually approved."

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Recently, I questioned whether or not “under-promising” works today. We all know that over-delivering and exceeding our customers’ expectations always works, but what about “under-promising”? What if the bar is set too low in terms of expectations, and we are too conservative? I guess you could say you have increased your chances of exceeding the customers’ expectations, but being too conservative or vague is almost as much of a disservice as promising the sky.

You say high, you say low, you say why, and I say I don’t know. Oh no. But even worse, what if we over-promise? Grab a newspaper or social media and look at the advertising today - how effective would a campaign be that simply says, “Get your financing with us, we’ll deliver what we promise?” More often, what you see advertised and promoted is the lowest price, the lowest cost, the best interest rate, the fastest process, or the highest return. In today’s highly competitive market, it can be tempting to promise the best, but what happens if all the stars don’t line up and you can’t deliver what was promised?

I firmly believe that a big part of our culture is simply doing what is right, both for the client and the bank, setting realistic expectations, and then doing everything within our power to not only meet them but exceed them. I can promise you Dakota MAC will keep doing that...

I don’t know why you say goodbye. I say hello, hello, hello...HELLO 2022!

Until the Next DIRT

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Dakota MAC, a proud supporter
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AG LAND IN 1872



BY DAVE KOENIGSHOF
DIRECTOR OF APPRAISALS

Congratulations to First Dakota National Bank for 150 years of service in 2022! What a great accomplishment.

First Dakota was established in 1872, while the Dakotas were still a territory and before South Dakota became an independent state in 1889. At that time, the west was still wild, and in fact, First Dakota’s inception predates the discovery of gold in the Black Hills in 1874 and Wild Bill Hickok’s death in 1876.

History also plays an essential role in appraisals. To some, this may seem odd, as we are usually concerned with the present; however, history proves to be our most accurate guide. With this in mind, the inevitable question arose, what was Ag land selling for in 1872?

Thanks to one of our First Dakota appraisers, Curtis Brooks, for doing some quick research at the courthouse and providing some insight into what land prices were in the 1870s. He randomly looked up five land transactions in Yankton County, SD, dated from 1871 to 1880 and found that land was selling from \$1.25 to \$2.50 an acre. Looking at present-day aerials, the land selling for \$1.25 per acre was James River breaks pasture, and the higher-priced land is now mostly tillable.

As a side note, I jokingly asked Curtis if these were good sales. Without pause, he remarked that he left messages with the principles of the sales for verification, however as of yet, he has not received any calls back! This is one case where I hope they do not contact him.

In closing, I would like to end with this quote from Maya Angelou. She said, “You can’t really know where you are going until you know where you have been.” This is very true for First Dakota.

All the best from your First Dakota appraisal team.



For up-to-date Ag information follow us on Twitter at @DakotaMAC93.

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EQUIPMENT FINANCING

We have equipment financing tailored to fit your needs. IronCountry Equipment Financing lets you finance new or used farm machinery and equipment with several fixed and variable terms.

Greater than \$75,000		\$25,000 - \$74,999	
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4-year fixed	3.29%	4-year fixed	4.29%
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6-year fixed	3.79%	6-year fixed	4.79%
7-year fixed	3.79%	7-year fixed	4.79%

Rates good through January 31, 2022. Subject to change.



AGRIVISIONS[®] 2022
EDUCATIONAL AG CONFERENCE

January 24-25 | Yankton, Mitchell & Pierre, SD

First Dakota is excited to bring Dr. Joseph Santos and Lucas Lentsch together this year for AgriVisions 2022. They will share insights and analysis on what is going on in today's Ag world — from national and world economics to global trade and consumer expectations. Register today for any of the events.

MONDAY, JANUARY 24, 2022 7:00PM
NFAA Easton Archery Center, Yankton

TUESDAY, JANUARY 25, 2022 11:30AM
Drifters Bar and Grille, Fort Pierre

TUESDAY, JANUARY 25, 2022 7:00PM
Mitchell Technical College, Mitchell

Go to FirstDakotaAg.com to register.

HOMES OF HOPE - A TRIP TO MEXICO



BY COREY MAALAND
LOAN PRODUCTION OFFICER

In November, I joined a church group and traveled to Tijuana, Mexico to build a home for a family of four that lived in a 10'x10' tarpaper-covered house. Our team provided the labor and materials

to build the new 20'x20' home with two bedrooms and a living space. The trip took just four days, two for travel and two for building the house. The home was completed by our team of fourteen and three Homes of Hope advisers, even though some of us had little experience with carpentry. We stayed at the Homes of Hope campus, and they provided three people to advise, interpret, and transport us to and from the building site. As the home was nearing completion, a few team members took the family shopping for beds, a propane hot plate for cooking, and more supplies and food than they may have ever had before.

It was a very humbling and awesome experience. I had never been out of the United States, and to see the conditions and cultural differences less than 15 miles from our border was both interesting and unfathomable. We got to see the joy in the faces of the family's four and seven-year-olds as they marveled at their new glass window, playing with each other through something they had never had before. We also watched a truck drive by as we worked, armed with six men with machine guns. The whole family was so appreciative of their new home, a 20' X 20' wooden structure with no plumbing and only basic electricity.

I would encourage anyone that has thought about doing something like this to try it. I learned that anyone and everyone can help! It will change your life and make you appreciate what many of us take for granted. At a time when it is easy to focus on what we don't have, it helped me to realize how fortunate we are to live where we do. Being thankful is a matter of perspective, and this trip changed mine. Please count your blessings and volunteer to help others when you can. It will bring you as much or more value than the people you are helping!

Ask today how you can use the equity in your farmland for important purchases.



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