

DIRT

A QUARTERLY NEWSLETTER BY DAKOTA MAC

July 2021

TOUGH LOVE!

You weren't good today; you embarrassed me. Am I really hearing this, and is this coming from of all people, my Mom? It was a moment that shaped my life and honestly left a stain in my soul for quite some time. I was a freshman in high school, my brother had just graduated and now it was my time to shine and carry on his legacy of being a tough-nosed football player. By this time, I decided that football was a sport that I would participate in, but my true love was basketball. It was one of the first football games of the year and I was asked to suit for a junior varsity game, mostly because of my brother's reputation and not because I earned it. I played the game, went through the motions, and hoped that nobody noticed. My Mom was in attendance, but at the time, I wasn't worried about her critiquing my performance. Now keep in mind, she was one of the kindest, most positive, optimistic, and supportive people you would ever meet, but she was also "tough." Never raising her voice, never cursing to get her point across, but being very straightforward with her feelings and advice was something I always admired.

As I walked towards the bus, I knew I didn't work as hard as I could have on the football field, but I thought I was the only one that was disappointed and embarrassed in my effort. I quickly found out my Mom was also disappointed, and she told me so. She caught me on my way off the field and said to me and only me, "You weren't good today; you embarrassed me." She went on to say, "If you are going to play, you better play hard." I knew she was right. But WOW, did that hurt! Not another word was said, but it hit me right across the forehead like a 2 x 4. I knew I was wrong, but the truth hurt.

So now what? How do I respond to that? Should I quit or should I get tough and work hard? Giving up wasn't an option and holding a grudge wasn't either. How did she know what I needed to hear? My Dad wasn't able to attend, so my concern turned to what she would tell him when he got home from the

BY JEFF WOLFGRAM
DAKOTA MAC MANAGER
& SENIOR VICE PRESIDENT



farm that night. When he walked into the house, after putting in another 12+ hour day with his greasy, dirt-stained jeans and worn-out tee shirt, I felt even more ashamed about my effort. He asked, "How did the game go?" Before I could respond, my Mom responded, "He did a good job and he will work even harder the next game." Is this the same person that an hour ago said I embarrassed her? This wasn't an example of enabling me or giving me a free pass; it was an example of trusting that I got the message and moving on.

The older I get, the harder it is for me to give tough love, whether it's at work or at home; maybe some would call it getting passive, maturing, or simply taking the easy way out. Has the pandemic, a tight labor market, or competition changed our ability to provide honest guidance or advice to others in fear of offending someone?

Do people only want to hear what they want to hear or do they want an advisor, a sounding board, and a trusted partner? Do you want a banker that exercises the 3 C's?

1. Conservative during good times.
2. Courageous during tough times.
3. Consistent all the time.

In addition to exercising the 3 C's, I want to surround myself with people who truly care about me, people I trust, and people that want me to be successful.

The Ag environment continues to be volatile. It has changed dramatically over the past 18 months for many of our producers and banks especially, with the amount of liquidity that has been pumped into the market. Land values continue to escalate, commodity prices are on the rise, and interest rates are currently low. Why would anybody need an advisor or tough love?

Continued on next page

One of many reasons I love working at First Dakota and Dakota MAC is our culture of being advisors and not order takers, and in certain situations providing tough love, discipline, and honest advice. Every day I see the care and pride our entire staff takes in originating and servicing our client base that stretches out over seven states, consists of over 1,100 loans, and over \$700 million in Ag real estate loans. We see our relationship with our clients as a trusted and balanced partnership, with mutual benefit for all parties.

I see more and more Ag real estate lending companies focus on shifting to online, being a one-stop shop for all things agriculture, or focusing more on origination and less on servicing. What happens when you need the advisor to listen to you about that next purchase, refinance, the transition to the next generation, or the unanticipated change in operation that may create a challenging financial situation?

Although the tough love my Mom provided happened over 35 years ago, I often think of that moment and what a lasting impression it had on me. I wish I could report that my Mom's tough love inspired me to become a great football player, earn a scholarship to Nebraska and play for Coach Osborne, but it didn't. Actually, it taught me something even more important than that. Tough love isn't tough at all if you have the greater good in mind of the person you are giving the advice to. Offering tough love takes courage; however, it cannot be constant. Tough love has its place in the past, present, and future.

Thank you for your continued loyalty and support you entrust in Dakota MAC. Enjoy your summer.

Until the next DIRT.

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EXIT 126



BY JODI PAYER
DAKOTA MAC VICE PRESIDENT
OPERATIONS OFFICER

Recently, my husband and I made the 9-hour drive from Yankton, SD, to Denver, CO, to attend our nephew's wedding. I'll admit my husband did all of the driving and I took a few naps and read a book.

It was a long ride, and it reminded me of the distance between Yankton, our Loan Production Offices, and our valued clients. As we passed by the exits and towns, I instantly thought of the family farms that we are so honored to provide financing to.

I wondered how you must feel to be far from our Dakota MAC headquarters and it reminded me of how important it is for us to help bridge the distance. It is our job to help you feel confident with your finances. While most of the staff in Yankton have never had the opportunity to meet you in person, we do feel a real connection to our clients. From analyzing the application, reviewing the appraisal, or preparing loan documents, we get to know you and your operation. After closing, more of us have the pleasure of getting acquainted with you when you call to make a payment or have a servicing request.

Although we may never meet you in person, you are more than just an account number to us. We know your name and a lot about your operation. We understand that the Loan Production Officers in the field are your main contact, but we want you to know that we have an entire team that you can rely on to help you along the way.

We continue to look for opportunities to provide better service to you, whether your operation is 15 or 300 miles from Yankton. Your Loan Production Officer might introduce you to new technologies you've never heard of to make it easier and more enjoyable to do business with Dakota MAC. We definitely do not want to lose the personal touch. Still, we are hopeful these new technologies will allow us to deliver our products and services to you more efficiently and effectively, no matter how many miles you are from Yankton.

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

IRONCOUNTRY[®]

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	
3-year fixed	2.95%	3-year fixed	3.75%
4-year fixed	2.95%	4-year fixed	3.75%
5-year fixed	3.15%	5-year fixed	3.75%
6-year fixed	3.50%	6-year fixed	4.25%
7-year fixed	3.50%	7-year fixed	4.25%

Rates good through July 31, 2021. Subject to change.

Dakotafest

First Dakota
Booth 223

August 17 - 19

Schlaffman Farm
2300 Spruce Street
Mitchell, SD 57301

Mark your calendars for DakotaFest 2021. We'll be there with our First Dakota and Dakota MAC teams, as well as other Ag experts.

It will be a splashingly great time. Plan to join us!

BEGINNING FARMER LOAN PROGRAM



BY NATHAN SPARKS
VICE PRESIDENT
LOAN PRODUCTION OFFICER

Dakota Mac is your source for FSA Beginning Farmer Loans! The down payment and joint financing programs we offer are exactly what young producers need to get their start with real estate ownership.

By utilizing a combination of direct funds from FSA coupled with an FSA Guarantee to maximize purchasing power, the benefits are abundant for young producers. Each of the direct FSA programs has specific rates and terms which complement the FSA Guarantee. This includes a 1.5% 20-year fixed-

rate from FSA for the down payment program and currently a 2.5% 40-year fixed-rate from FSA for the Joint Financing program. When you combine these with Dakota MAC's very competitive 30-year fixed rate under our Beginning Farmer program, you are set.

Below is a recent example of a producer making a large real estate purchase and the financing structure:

\$633,500 - FSA Guarantee
\$300,150 - FSA Direct under Beginning Farmer Program
\$299,850 - FSA Direct under Joint Financing
\$100,000 - Cash from borrower
\$1,333,500 - Total Purchase Price

Additional benefits for the borrower included no FSA guarantee fee and appraisal fees paid for by FSA. This very competitive product is available for many producers to get their start in farming or ranching. Feel free to reach out to your Dakota Mac LPO or First Dakota Loan Officer for more information.

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



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