

DIRT

A QUARTERLY NEWSLETTER BY DAKOTA MAC

July 2022

BEING BETTER

At the 2022 Berkshire Hathaway Annual Meeting, Warren Buffett, the 91-year-old CEO, said, "You should be a better person the second half of your life. That really isn't too much to ask." It seems pretty rudimentary that as we age, we all should be "better," but how and what daily habits do we need to incorporate to make this happen? And can't the same be said for companies? His comment stuck with me and had me question if I'm getting "better?" Do I have daily practices in place that not only encourage me to be "better," but also the people I surround myself with?

The first thing I do is surround myself with intelligent, optimistic, passionate, and positive people, both at work and at home. Next, I **try** to make sound, fundamental, and ethical decisions. When I fail at this, I accept the failure, try to avoid excuses, apologize if needed, recognize what I learned, and then move on and attempt not to repeat it. Embrace the fact you will face adversity every day, and remember that status quo is temporary, not permanent.

We've continued to deal with adversity and volatility as interest rates climbed in the second quarter of 2022. As I mentioned in last quarter's DIRT, we are still seeing some refinance opportunities, but more and more of our loans are for financing purchases. Our FSA Drive option continues to be popular, and one of the selling points is a higher loan-to-value compared to traditional financing, which allows the client to hold on to more cash.

This leads me to another quote from Mr. Buffett at the 2022 annual meeting when he talked about having cash and working capital:

"There have been a few times in history, and there will be more times in history, where if you don't have

BY JEFF WOLFGRAM
DAKOTA MAC MANAGER
& SENIOR VICE PRESIDENT

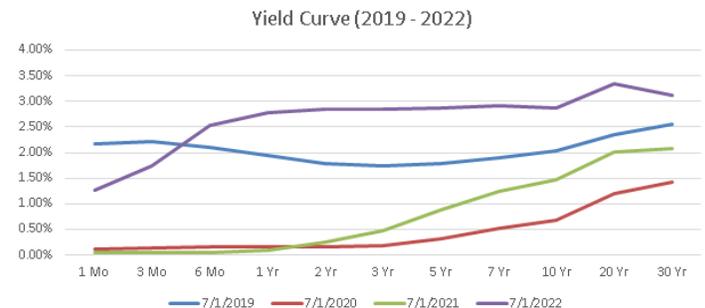


it, you know, you don't get to play the next day. I mean, it's like oxygen, you know? It's there all the time, but if it disappears for a few minutes, it's all over."

In these volatile times, having cash (oxygen) and working capital for your operation is being "better" and allowing you "to play the next day."

Below is a chart for different U.S. Treasuries on July 1st of this year and each preceding year back to 2019. You will notice a similar curvature for the years 2020 and 2021, where rates were at almost zero for 1-month to 1-year treasuries; a flat and inverted yield curve for certain treasuries in 2019; and a steep curve between short-term rates (1-month to 6-months) and a very flat curve between 1-year and 30-year in 2022.

As a result of interest rates rising, some clients are opting for variable products instead of fixed rates for the entire term of the loan (i.e. 15 - 30 years). The beauty of Dakota MAC is that we can offer anywhere from a fully variable rate that adjusts monthly, all the way to a fixed rate for 30 years.



So, what is the best option for you? Fixed or variable? What if you could have your cake and eat

Continued on next page

it too? There is currently a wide gap (almost 3.00%) between variable and long-term fixed loan rates. One concept that deserves consideration is for clients to have two notes instead of one: Loan #1 tied to a variable rate and Loan #2 fixed. The split between the two products doesn't have to be equal; you decide what percentage you want fixed and what percentage you want on a variable rate. If rates go up, you protect yourself on the fixed loan, and if rates go down or stabilize, you can enjoy the lower variable rate. Consult your Loan Production Officer on how much risk your operation can afford. Part of being "better" is providing options, challenging you, and advising you.

Being "better" is being vulnerable, admitting we are all "broken," and not being afraid to admit we don't have all the answers. As the late Regis Philbin would ask, "Do you want to phone a friend?" Stephanie's article is an excellent example of our team being vulnerable and asking, "How did we do?" In most cases, we did extremely well, but we're not batting 100%, and we have room for growth.

Being better is to be yourself - recognize your strengths, work on your weaknesses, and be **you** because nobody else can and you can't be anybody else. Constantly consult with others, ask questions, listen, and grow, grow, grow. Too many times, I see people and companies trying to be somebody or something they think they want to be or think they should be. Speaking of somebody that is himself, we recently honored Corey Maaland as he celebrates his 10-year anniversary. Scan the QR code to view his recognition video. Congrats Corey!



Lastly, at the end of every day, be grateful for what you have and not what you don't have. Tell others thank you to the point of exhaustion and never take them for granted. We are thankful for everything we have: our employees, our investors; our leadership; and our clients because, without you, none of our success would be possible. Keep being "better."

Until the Next DIRT,

Jeff
wolfgram@dakotamac.com
(605)665-4990

DAKOTA MAC IS CALLING



BY STEPHANIE SIEBRANDT
SPECIAL PROJECTS AND
SERVICING COORDINATOR

If you have recently closed a loan, Dakota MAC may be calling you.

One of my duties as the Dakota MAC Servicing and Special Projects coordinator is to call clients after their loan has closed. My primary goal during this phone call is to thank you for your business. We cannot do what we do without you! My secondary goal is to seek feedback regarding Dakota MAC.

While being mindful of your time, I want to understand how your loan application and closing process went. Do you have any positive feedback or suggestions you can bring to our attention? For example:

- Maybe you do not remember when Dakota MAC mails payment statements or your options for automatic and ACH payments. I can answer these questions, research the answer if I don't know it, and more.
- Maybe you had a great experience with Dakota MAC and your officer. We love hearing about these experiences and may talk to you about completing a written testimony regarding your experience to share with others.
- Maybe your experience was not what you thought it would be or should be. We want to hear that too! Honest communication from you can help Dakota MAC validate current practices or spark conversations on change.

The more I understand about your experience, the better equipped I will be to answer your questions, pass suggestions on to our team, improve our current practices and help Dakota MAC continue to develop strong relationships with our clients.



Listen to Huskers athletics on Huskers Radio Network. Dakota MAC, a proud supporter of Huskers athletics.

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	5.40%	3-year fixed	5.65%
4-year fixed	5.65%	4-year fixed	5.90%
5-year fixed	5.65%	5-year fixed	5.90%
6-year fixed	5.90%	6-year fixed	6.15%
7-year fixed	5.90%	7-year fixed	6.15%

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

DAKOTA MAC SUPPORT



BY SHEILA SCHIEFFER
DMAC OPERATIONS SPECIALIST

Behind every successful sales staff is a great support team. In Dakota MAC, we have a strong support system to assist our Loan Production Officers. My role is to assist our officers in the closing

of loans, annual servicing of our loans, and most importantly, I am here to help you with your questions and needs.

With over 30 years of banking experience at First Dakota and Dakota MAC, I'm not saying I've "seen it all;" however, my institutional knowledge allows me to provide you with the best service possible.

Please contact me with any questions you may have. I'm the smile on the other end of the phone or e-mail.

HELLO NICOLE



We welcome Nicole Monroe to the Dakota MAC team as an Ag Credit Analyst.

Nicole is originally from Buffalo, Wyoming, which is almost equidistant between Yellowstone National Park and Mount Rushmore.

She graduated with an Associate's degree in Business from Sheridan College in Wyoming.

Her previous banking experience includes being a teller, loan processor, and a bookkeeper. In her spare time, she enjoys spending time with friends and family, being outdoors, hunting, fishing, and traveling.



Dakotafest

First Dakota
Booth 223

August 16-18

Schlaffman Farm
2300 Spruce Street
Mitchell, SD 57301

Mark your calendars for DakotaFest 2022. We'll be there with our First Dakota and Dakota MAC teams, as well as other Ag experts.

Plan to join us!

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



225 Cedar Street
PO Box 156
Yankton, SD 57078

ADDRESS SERVICE REQUESTED

PRSR STD
US POSTAGE
PAID
YANKTON SD
57078
Permit No. 16

OUR LPO OFFICES

Columbus, Nebraska

2004 23rd Street
402-563-2326

Hastings, Nebraska

2837 W Highway 6, #201
402-463-4637

Ogallala, Nebraska

918 N Spruce Street, Suite #1
308-284-3260

Mitchell, South Dakota

500 E Norway Avenue
605-995-7916

Watertown, South Dakota

200 E Highland Boulevard, #1
605-753-5880

OUR LPO TEAM



JIM PERSINGER

jpersinger@dakotamac.com
(308) 529-1991



NICK RENNAU

nrennau@dakotamac.com
(308) 380-7564



NICK LUCHSINGER

nluchsinger@dakotamac.com
(402)740-6445

 @DMAC93Nick



COREY MAALAND

cmaaland@dakotamac.com
(605)880-2585



BOYD MIGNERY

dmignery@dakotamac.com
(402) 841-1897



NATHAN SPARKS

nsparks@dakotamac.com
(605) 770-1607