

OUR FIRST LOAN PRODUCTION OFFICE

“You want to do what? Where do you want the first Loan Production Office (LPO)? Did you say, Elgin, Nebraska? Is this the same Elgin that I remember from high school?” It seems like yesterday when I received a call from Boyd Mignery, a young Nebraska banker, with THE PLAN of opening up the first Dakota MAC LPO in Nebraska. I had just returned from a FSA Stakeholder’s meeting in Arkansas, where Boyd and I had met.

The year was 1999. Denny Everson and I were looking for the next big thing or “gig”. The network of conduit banks had started to shrink; First Dakota didn’t have much of a presence in Nebraska, and business was not booming in Dakota MAC. We knew we needed something; something that would spark growth.

Boyd described THE PLAN as sophisticated, yet simple lending practices delivered to the kitchen table or more specifically, directly to the farm — a Wall Street to Walthill, Nebraska philosophy. The physical loan production office would be modest; however, our mobile office (aka pickups or SUVs) would be robust and full of the latest technology. The origination and servicing of our lending products would start and end with the needs of our clients.

We never imagined THE PLAN would transform Dakota MAC and become a big part of how and where we transact business today. This idea or gig led to offices in Hastings, Ogallala, and Columbus in Nebraska, as well as Mitchell and Watertown in South Dakota. It has also led us to over \$300 Million in Ag loans with the LPOs in the Midwest. This edition of The DIRT is dedicated to all our Loan Production Officers, our team, and our clients. Not only did Boyd and the other Loan Production Officers take a leap of faith when they joined our team, but so did our clients. They all demonstrated what Digging Deeper is all about well before our latest ad campaign. In 2019, we are celebrating twenty years since we opened our first LPO. A lot has changed in modern agriculture and banking (including moving the office from Elgin to Hastings), but a key part of our bank strategy is to maintain and develop our LPO network.

Many agricultural producers, ranchers, and bankers are all trying to find their niche or gig in this market. As margins are shrinking and volatility is increasing, it is important for all of us to create our own gig or niche. This doesn’t mean you should stop what you’re doing and abandon your core business, but it does mean that we all have to challenge ourselves to be “better” and more innovative. I included a chart of our originated loans for the first nine months of 2019, 2018, & 2017. You will see we continue to be busy with originations regardless of the times in agriculture. Without continuing to challenge ourselves with being “better”, I

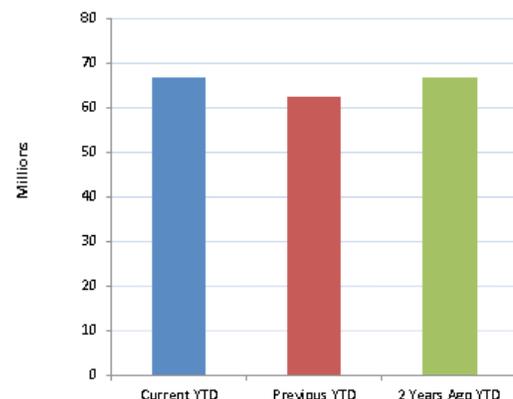
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**Year-to-Date
Dakota MAC
Originated Volumes**



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am convinced our originations would have fallen and potentially fallen significantly.

Adding the first LPO twenty years ago complimented our core business structure and added much needed diversification to it. I know what you're thinking, "Alright, smart guy banker, how do I create my gig?" Never underestimate your ability; farmers are so resourceful! We have many examples of clients who have diversified their operations by adding a gig.

How often does your company pause, take time to meet, and dream of the next gig? I am fortunate to work for a bank that believes in strategic planning. In the last 60 days, I've had the opportunity to spend time with fellow colleagues and plan for the future of First Dakota, Dakota MAC, and the Ag Division as a whole. Regardless of the times, this is critical to your operation!

Take the time to reflect, take the time to dream, and take the time to commit to implement. Start small and build your greatness one pebble at a time. Your legacy will thank you.

Until the next DIRT. Jeff



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WIND ENERGY PROJECTS

BY: STEPHANIE SIEBRANDT

DAKOTA MAC SPECIAL PROJECTS AND SERVICING

It's your land, and Dakota MAC wants to help you maximize the use of it. It seems like momentum continues to build for additional wind development in our trade territory. When this opportunity presents itself, we're happy to be a part of the process.

Wind energy is expanding in the Midwest. Did you know wind speeds of 6 mph can activate a wind turbine? And did you know much of Nebraska and South Dakota average wind speeds are 15 to 20 mph?

Nebraska has seen more wind energy growth in the past two years than ever before. Upstream Wind Energy Center and Rattlesnake Creek Wind Farm in northeast Nebraska brought another 520 megawatts of energy to Nebraska's power grid, bringing the total energy production from wind to almost 2,000 megawatts. This past year, the South Dakota Public Utilities Commission approved 8 wind-energy projects that could bring 700 more turbines to the state by the end of 2020, nearly tripling the number of wind towers.

If you are approached by a wind developer, reach out to Dakota MAC to talk through what this means for your land and loan. Wind companies typically ask Dakota MAC to sign a non-disturbance agreement, indicating the bank will comply with the terms in the Wind Lease and Easement.

Communicating with Dakota MAC early on will help you in the process, and will hopefully reduce the possibility of any delays or surprises. We will work with you and the wind company to ensure the appropriate due diligence is completed by Dakota MAC.



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