

FIRST ON THE FARM

FROM THE EXPERTS AT THE FIRST NATIONAL BANK IN SIOUX FALLS

IN THIS ISSUE

INSURING YOUR SUCCESS
Page 2

HUTTERITE BANKING INSTITUTE
Page 2

FARMERS 'N BANKERS PROGRAM UPDATES
Page 3

FEATURED SERIES: FARMERS 'N BANKERS PROGRAM
Page 3

NEW ADMINISTRATIVE ASSISTANT
Page 3

AN OPTIMISTIC LOOK AT 2021



BRIAN GILBERT
Ag Banking Manager

With harvest right around the corner, I would like to take the opportunity to thank you for your business throughout the years and wish you a safe and bountiful harvest. With that said, I know many of you will likely rely on the crop insurance safety net due to a dry growing season and untimely storms. Fortunately, we have an expert on our team, Tyler Urban, who can help you navigate through any crop insurance questions.

Even with the weather concerns, this year appears to be shaping up to be profitable for many of you. As you are working on your year-end balance sheets and are tax planning and preparing for 2022, please keep in mind the importance of retaining working capital. Your operation's Current Ratio (Total Current Farm Assets/Total Current Farm Liabilities), or your farm's ability to meet current payment demands with current cash, crop, and livestock inventories,

is one of the "FIRST NATIONAL Five" ratios. This ratio is used in our analysis and is widely recognized as a key ratio in the agriculture finance industry. It is what gives your operation a buffer to weather the cyclicity in Agriculture.

When pondering year-end purchases of real estate, machinery, or other capital assets, please be mindful of your own operation's working capital and overall leverage position, and not what the neighbor is doing. Our Ag Banking experts are happy to help you walk through any strategies you may have to tailor solutions that are the best fit for your operation. For reference, FNB likes to see the current ratio at or above 1.25.

The financial health of our Ag customer base is the best it's been since 2014, and the outlook appears to be rather positive for many. This obviously brings a smile to most as the success of our state and nation relies heavily on the Ag industry. However, there will be challenges ahead with increased competition on real estate purchases and cash rent, along with tightening margins due to crop input cost increases. Please keep in mind that FNB

got our start in Agriculture over 135 years ago. We intend to be a trusted advisor for your operation today and as you transition the farm to the next generation.

I'd like to close by encouraging each of you to be a lifelong learner. Our industry is extremely dynamic, and it is paramount to adapt with the times. Please take advantage of the education that FNB provides. These programs and seminars range from the Farmers 'N Bankers Training, Hutterite Banking Institute, Cultivate Your Future event, small group insurance updates, and many more. If you don't know about these offerings reach out to me or one of our team members for more details.

SAVE THE DATE!

CULTIVATE YOUR FUTURE

FEBRUARY 24, 2022

Watch for more details



FirstCropSolutions

Located at The First National Bank in Sioux Falls®

Our agency is an equal opportunity provider.

INSURING YOUR SUCCESS



**TYLER
URBAN**
Crop Insurance
Specialist

Drought, wind, hail, excess rain...these are all the items that tend to keep farmers and crop insurance agents up at night. In 2021, I have seen all these issues affect the crops in the area. We started off the year dry for most all of South Dakota, and on August 24, the United States drought monitor had all of South Dakota in some sort of a drought. I personally thought my corn crop was toast multiple times during June! Fast forward to September, and a fair number of farmers and I have experienced the wind, hail, and excess rain due to some

August storms. This proves why crop insurance is such a vital part to a farmer's risk management plan.

For corn, soybeans, wheat, and other crops, insurance under a multi-peril policy, drought discussion is simple. If the level of production falls below an insured guarantee level, there will be an indemnity paid, much like any other cause of loss. However, for ranchers and forage growers there is a product available to help offset any losses that would prevent the pastures from reaching their full potential or hay fields not producing due to lack of rainfall. The Pasture, Rangeland, Forage (PRF) Insurance is a great tool to safeguard against drought for those producers. This program is designed to give you the ability to buy insurance protection for losses

of forage produced for grazing or harvested for hay, which result in increased costs for feed, destocking, depopulating, or other actions. The PRF program utilizes a rainfall index to determine precipitation for coverage purposes and does not measure production or loss of products themselves.

For those that had some wind and hail damage, there are private products out there to insure against those losses. After the 2020 derecho across Iowa that caused extensive damage, there was some increased interest in these products. However, the cost of them sometimes can be a deterrent. Both hail and wind can trigger a loss on a multi-peril policy if the damage falls below the guaranteed level. This fall is a great time to think about what tools are available and how to best spend the

insurance dollars to get the greatest bang for the buck.

Luckily, a few areas have seen a large amount of rain in the last week with more rain projected for a large part of South Dakota. On my farm, we still don't have a puddle to be found, but we are starting to restock some subsoil moisture. Moreover, if the rain keeps coming, that will help with the combine fire danger this fall. As I have said before, my favorite time of year is combining corn and being able to see the gorgeous sunsets. It reminds me that those of us in agriculture truly do have the best jobs in world! Feel free to call me anytime at (605) 940-0896. I'd be happy to talk crop insurance, farming, or SDSU football! I hope everyone will have a safe and bountiful harvest!

HUTTERITE BANKING INSTITUTE

New this fall we will be accepting applications for the Hutterite Banking Institute (HBI). HBI is a 4-session educational program built

specifically for Hutterite Colonies. Our goal with this program is to provide a series of educational opportunities focused on financial

statements, financial analysis, and risk management tools available for your operation. For those of you interested in the HBI program and would

like to learn more, please contact your Ag Banker or Grant Olson at (605) 940-6517.

FARMERS 'N BANKERS PROGRAM UPDATES



GRANT OLSON
Ag Banker

Session 3 of the Farmers 'N Bankers Program was held August 12-13. This year's tour included both Class 3 and Class 4 as a result of last year's COVID-19 restrictions. This session took us out of the classroom and into nearby Agribusinesses to learn more about the processes and products produced using locally grown commodities.

Our first stop of the 2021 Agribusiness Tour was in Brookings, SD to tour the newly constructed Raven Precision Agriculture Center on the campus of South Dakota State University. We were greeted by faculty eager to give our group one of the first tours of the facility prior to the ribbon cutting scheduled for September 11, 2021. During our tour of the facility, Department Heads Van Kelley and David Wright explained

the vision for the facility and the future of the precision agriculture academic programs at SDSU.

From Brookings, the group headed northwest for a quick stop at Agropur in Lake Norden, SD. The purpose of this stop was to update our group on the dairy and dairy processing industries prior to our Garfield Dairy tour near Bryant, SD. We learned that Agropur's most recent expansion increased their processing capacity from 3 million to 9 million pounds of milk per day. The new expansion makes Agropur one of the largest cheese plants in the Midwest.

Our final day one tour took us to Garfield Dairy, just east of Bryant. Garfield Dairy is a 9,500 head dairy owned and operated by Riverview, LLP. They use a rotary milking parlor that can milk approximately 110 cows at a time with each rotation lasting approximately 7 minutes. Feed and manure management practices created a lot of discussion with our tour leaders. The group spent a

considerable amount of time learning about the onsite manure separators. The dairy uses these separators to produce dry matter for reuse as bedding with the liquids pumped out to the covered lagoons.

Day two of the Agribusiness tour took us to Aberdeen, SD where we were able to tour DemKota Ranch Beef. Before touring the processing floor, we had the opportunity to meet with Adam Bode, DemKota's COO. Adam shared with our group the history of DemKota, how their business compares to the "Big Four" meatpackers (Tyson, JBS, Cargill, and National) from a size and efficiency perspective, and lastly, the ongoing labor shortages in the industry. Following our discussion with Adam, we were led through the processing facility where we were able to see everything from the receiving area to their cold storage, and every process in between!

Session 4 of the Farmers 'N Bankers Program is scheduled for December 8 and is titled "The Importance of Succession

Planning." During this session we will discuss various legal structures available to farmers, real-life examples of successful and unsuccessful estate planning situations, and many other considerations that must be made while planning for the future.

For those of you interested in the Farmers 'N Bankers Program and would like to learn more, please contact your Ag Banker or me at (605) 940-6517.

FEATURED SERIES

Farmers 'N Bankers Program

Class Four Session Four
"The Importance of Succession Planning"

Wed., Dec. 8, 2021
11:30 a.m.-3:30 p.m.
Hilton Garden Inn South
Sioux Falls, SD

NEW ADMINISTRATIVE ASSISTANT



JESSICA MIERAS
Administrative Assistant

We are excited to welcome Jessica Mieras, the newest member of our First National Bank Ag Banking team. Jessica is an Ag Administrative Assistant at our Louise Branch.

She was born in Missouri, lived in Kansas, but has spent most of her life in Sioux Falls.

She went to Dakota Wesleyan University and graduated with a bachelor's degree in Sports, Exercise, and Wellness and followed that up with a Master of Business Administration.

"I wanted to work for FNB because of the culture that it portrays. I am a family-oriented person, so being a part of an organization and department

that feels so much like a family, I had no doubt that this is where I was supposed to be."

Jessica is most looking forward to continuing to work with the outstanding people - both customers and employees. The ag department is a community that makes you feel welcomed, and she is extremely excited to be involved with the team.

When she's not busy working, Jessica enjoys exploring life through the eyes of her two-

year old son, George, playing any type of sport, or enjoying her guilty pleasure, peanut butter and pickle sandwiches.



MEET THE AG TEAM



BRIAN GILBERT
Ag Banking Manager
(605) 214-0546



GRANT OLSON
Ag Banking Team Lead
(605) 940-6517



PHIL DEGROOT
Ag Banking Team Lead
(605) 261-9253



DAVE BONTE
Ag Banker
(605) 212-0546



JASON LONG
Ag Banker
(605) 351-2598



JOSH KAYSER
Ag Banker
(605) 999-8011



LANE REECY
Ag Banker
(605) 782-5985



PAUL RENKEN
Ag Banker
(701) 210-0192



SAM MINOR
Ag Banker
(605) 997-5649



THOMAS NEWMAN
Ag Banker
(605) 359-8102



TODD VAN DEN BOSCH
Ag Banker
(605) 682-8232



TYLER URBAN
Crop Insurance Specialist
(605) 940-0896



JOE MILLER
Ag Credit Manager
(605) 380-9713



MICHAEL HAHN
Correspondent Banking Manager
(605) 335-5117



KARI RADACK
Administrative Supervisor
(605) 335-5110



ABBY UTECH
Administrative Assistant
(605) 335-2927



BECKY PESICKA
Administrative Assistant
(605) 782-5983



JESSICA MIERAS
Administrative Assistant
(605) 335-5156



JILL BUDAHL
Administrative Assistant
(605) 335-5156



LINDSEY SCHOEBERL
Administrative Assistant
(605) 997-5644