

FIRST ON THE FARM

FROM THE EXPERTS AT THE FIRST NATIONAL BANK IN SIOUX FALLS

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OPPORTUNITIES FOR GROWTH



BRIAN GILBERT
Ag Banking Manager

Cultivate Your Future
The First National Ag Team is honored and excited to present our 15th annual Cultivate Your Future event on February 15, 2024!

We have an amazing lineup of speakers for this year, including Dr. Joe Santos, director of the SDSU Ness School of Management and Economics. You can find a full schedule of the event inside this newsletter.

We are always striving to add value to our Ag and Agribusiness relationships at First National Bank, and our Cultivate Your Future event is one of the many ways we do so.

We understand that everyone is busy nowadays; however, we believe everyone should be a lifelong learner, and this event provides you with an opportunity to sharpen your

skills and be well-informed — giving you a leg up on other area producers.

Farming is a business, after all, and this year's lineup of speakers will offer expertise on global economics, the industry's best weather outlook, grain marketing information, and some of the challenges producers will face in the coming years from an ever-changing consumer perception of the way we operate.

We've come a long way in our speaker offering to you during our 15 years of hosting this event, and I'm proud to say that this year's lineup is our best ever. You won't want to miss this dynamic opportunity!

Please RSVP to Abby at (605) 335-2927 or albosma@fnbsf.com, to register.

Space is limited, but we invite you to bring a guest. Also, lunch will be provided with a happy hour to follow. We look forward to seeing you on February 15.

Brock Associates Winter Seminar

I'd also like to take a moment to recap an opportunity for growth that we offered in early December.

Through our sponsorship of the Brock Associates 2023 marketing meeting at the Sheraton in Sioux Falls, local producers were able to learn about the grain and livestock markets. When one of our Ag Advisory Board members asked me if we'd be interested in this event, we jumped at the opportunity.

We helped to host 85 area producers and had a very informative day. Therefore, we are excited to continue with this partnership — so please watch for information from us on their next event later in 2024!



INSURING YOUR SUCCESS



**JOSH
KAYSER**
Ag Banking
Team Lead

Looking back at some of our previous ag newsletters, it seemed that a common theme for this time of year has always been and will continue to be “risk management.”

After all, we did change our agency name from First Crop Solutions to First Ag Risk Management this past fall!

For 2023, we had near-record high spring crop insurance prices of \$5.91 for corn and \$13.76 for soybeans. These prices, combined with high coverage levels, would likely guarantee a profit for most farms in 2023.

As the prices dropped in the fall, it triggered several revenue claims on farms that still had pretty good yields; if you had a bit of yield drag from the dry summer, there were some huge crop insurance indemnities paid out.

Looking at 2024, we have seen the prices for both corn and soybeans drop.

As of January 11, the December corn futures are \$4.92 and the November soybean futures are \$12.08. This will have a significant impact on the revenue that we can insure for 2024 compared to the previous few years.

We have preached for years that the Multi-Peril Crop Insurance policy is the bread-and-butter way to spend your crop insurance dollars, and that worked well in 2023 based on the claims we had.

For this year, it might make sense to add a little bit of county-based products like the Supplemental Coverage Option (SCO) or Enhanced Coverage Option (ECO) to increase some coverage.

County-based products are not for everyone, that’s for sure — but it could be the right fit for some farms. I would at least recommend having that conversation with your agent!

I believe that we can still have a profitable year of farming,

but we are going to have to sharpen some pencils and make sure our dollars are being spent the best way possible.

Therefore, a custom-tailored crop insurance plan is critical to financial success.

On the livestock side, the Livestock Risk Protection (LRP) policies have really jumped out in the last few years to be a benefit to cattle and swine producers.

There have been some changes to this program to make it much more attractive, and it can sure help lock in great prices on cattle and hogs.

With prices being at historically high levels, make sure you are looking into this option if you have livestock.

LRP policies act very similar to a put option but are often cheaper and allow you to insure a specific head count versus what the CME Contract weights are.

Our team is happy to help anyone with their grain and livestock insurance needs. It doesn’t matter if you are a cash

grain farmer, a hog producer, or a rancher — First Ag Risk Management has the products and services needed to help you succeed.

If you would like to visit and review your policies to ensure that they make the most sense for your individual farm, feel free to contact me anytime at (605) 999-8011!

Important dates and notes:
March 1 – Spring prices announced

March 15 – Crop insurance sales closing deadline; FSA Program signup deadline

****2023 Crop Insurance Indemnities and Taxes:** If you received a crop insurance payment in 2023, it is likely the premium was subtracted from the indemnity. Therefore, the check deposited will be different than the amount on a 1099 from the insurance company. Make sure to record the full 1099 amount as income and include the premium of the policy as an expense. As always, please speak with your CPA for any tax advice.

FARMERS 'N BANKERS PROGRAM UPDATES



**PHIL
DEGROOT**
Ag Banking
Team Lead

We held the final session for Class 6 of the Farmers 'N Bankers program on December 5 in the newly renovated FNB board room, "The Vault."

This session was focused on tax and estate planning.

We brought in Heath Kooiman, CPA and partner at Brady

Martz & Associates, who talked about different tax strategies and entities that could enable farms to best manage their operations.

Next, we discussed estate planning with Joe Dylla, an attorney and In House Counsel with First National Wealth Management.

Joe talked about different trust options and how families can successfully have a conversation to build a plan for navigating the transition of a farm and farm assets.

The last portion of the session was a panel with two members of First National Bank's Ag Advisory Board, Darren Hefty (Hefty Seed) and Chuck Sutton (Sutton Auction), as well as Brian Gilbert (FNB Ag Banking Manager).

The group asked our panel a variety of questions ranging from land prices to crop input prices, and estate planning to the interest rate environment.

We also discussed the future of agriculture and the advancement of the industry

— and the impacts those things will have on our operations.

It was a great last session, and I look forward to seeing the group one more time at our Cultivate Your Future event in February.

If you have questions about the Farmers 'N Bankers program, including how to apply for Class 7, give me a call at (605) 261-9253.

FRAMING THE FARM

"Golden Hour Glory"

Courtesy of Krista Smith, Smith's Feedlot in Mount Vernon, SD



Want to be featured in our newsletter? Text us at (605) 929-5822 with your photo, first and last name, operation name, and where you're located!

By submitting a photo, you agree to let The First National Bank in Sioux Falls share it in their ag newsletter, on their website at fnbsf.com, on social media, and in emails or other marketing materials.

SAVE THE DATE

Cultivate Your Future

February 15, 2024

**Hilton Garden Inn South,
Sioux Falls**

9:30 AM

Arrival and Registration

10:00 AM

Dr. Joe Santos

Global Economic Update

11:00 AM

Matt Reardon

12:00 PM

Lunch

12:30 PM

Tregg Cronin

Grain Marketing Update

1:45 PM

Donna Moenning

Consumer Insights

Impacting Food & Farming

3:30 PM

Social

RSVP to Abby at (605) 335-2927 or albosma@fnbsf.com by February 3.



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