

&NUTS BOLTS

National Farm & Ranch Business Management Education Association, Inc.
Bringing knowledge that works to farm and ranch families

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President's Message: *Let's Meet in La Crosse!* By Ron Dvergsten, 2023-24 NFRBMEA President

May 1, 2024

The National Farm Business Management Conference Planning Committee has put together a great conference agenda packed with tremendous speakers and workshops. The 2024 National Farm Business Conference with the theme of “*Success Through Exceptional Service*” kicks off on Monday June 10 and wraps up on Thursday June 13 in beautiful La Crosse, Wisconsin. Please make your best effort to fit this once-a-year FBM professional development event into your schedule. Along with the speakers, workshops, tours, and meal functions, I find the networking with other Farm Business Management professionals from across the entire county to be another extremely valuable aspect of the National Farm Business Management Conference. This will be my 25th National Farm Business Management Conference that I will have attended in my FBM career. The personal relationships and friendships that one can develop from attending the National Farm Business Management Conference are invaluable.

As I reflect on the past several months of going through our Analysis and database season, it reinforces the fact that agriculture is such a wide-ranging industry, with huge differences in production and management skills needed. I have the privilege in my own program to work with a wide range of farm enterprises. Bison, honeybees, beef cow-calf, sugar beets, potatoes, sunflowers, canola, along with all the traditional grain and forage enterprises. Farm resources regarding land and equipment needs vary greatly between these farm enterprises, but basic financial management needs remain very similar. The need to keep detailed farm records and make sound business decisions remains the same no matter whether you are a sugar beet farmer in the Red River Valley or a livestock producer or beekeeper.



Another reason why I love my annual trips to the National Farm Business Management Conference is to reinforce the fact that even though we all serve a wide range of agricultural areas, we all still have a common goal to our work, and that is to “assist farmers in their business decision making process”.

So again, please make all efforts to attend this year's National FBM Conference so we can all improve our skills and knowledge to better “assist farmers in their business decision making process”.

-Ron

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10 Takeaways

The American Banker Association's Ag Bankers Conference

By Lynn Paulson, Director of Agribusiness Development, Bell Bank, Fargo, ND

I recently attended the American Banker Association's Ag Bankers Conference in Oklahoma City. (Side note - if you are ever in OKC, you need to take in and tour the Oklahoma City National Memorial and Museum, the site of the 1995 bombing that claimed 168 lives. It was an emotional and moving place to visit.)

The ABA event was a terrific gathering of about 400 ag lenders from across the United States, and a great way to get a feel for what's really going on in the ag lending world. Here are a few takeaways from the conference and from my interactions with bankers:

[1] Overall, the 2023 crop was very good.

The comment heard over and over again was the crop "was better than expected." Good genetics are getting most of the credit.

[2] AI in agriculture was a big topic. Now, to some of us, AI once meant artificial insemination, but in today's world it of course means artificial intelligence. Discussions touched on what it all means, what it can do, what it can't do and to beware of unintended consequences.

[3] The overall outlook was pretty optimistic, especially with Midwest bankers.

2024 will see headwinds and significant margin compression, but overall, the ag sector is financially healthy, with the best financial times, at least for a while, being in the rear-view mirror. There are no real credit issues on the horizon with a fair amount of financial runway before any major credit problems occur.

[4] Interest rate increases are a concern.

The increases haven't really impacted the producer all that much yet - but they will.

[5] It's the best of times in the cattle

business - especially for cow/calf producers, and good for them. They deserve prosperity after several challenging years. The general thought is there should be strength in this area for some time, assuming the general economy doesn't tank.

[6] Hogs and dairy areas need to be watched closely.

[7] Land values have likely peaked, despite some recent high land sales that are viewed as outliers. Some retraction is possible, but not a lot.

[8] Regulators expect solid credit administration and farm/collateral inspections. Don't get complacent.

[9] Liquidity in the banking system is being watched closely - especially as some of producers' excess cash sitting in banks starts to decline.

[10] There's concern over the continued consolidation in all areas of agriculture.

EDITOR'S NOTE: This article originally appeared in Bell Bank's quarterly newsletter, "AGVIEWS". Reprinted by permission.

HAVE YOU REGISTERED FOR THE CONFERENCE YET?



Be sure to register today for the 2024 NFBM Conference next month in La Crosse, Wisconsin. The 2024 planners have a great conference planned for you!

Visit the conference website, www.nfbm-conference.org/2024/, for the latest agenda, information and links to lodging reservations. Post-conference tour information is also in the process of being updated.

Information on registration fees are located on the Registration Gateway page: www.nfbm-conference.org/2024/reg-gateway24.html

Sponsors: Our Professional Development Partners

By Denise Reeser, NFBM Conference Sponsorship Coordinator



Spring is here and I am excited to look forward to the fun things we can do this summer! I am always excited to attend the National Farm Business Management Conference. This year, I'm looking forward to being closer to home in beautiful La Crosse, Wisconsin. I am very excited to take part in all of the fun, networking and educational workshops and speakers.

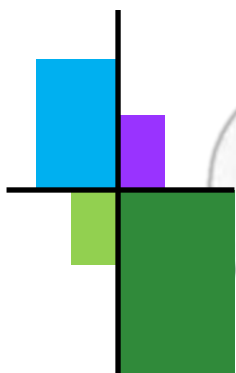
As Sponsorship Coordinator, I am fortunate to work with some great sponsors. We are very lucky to have a team of businesses and individuals that support our conference and our organization. The partnership that we have with them is invaluable as they have been supporting us as instructors in our organization in a number of ways. Traditionally, we see the sponsors and their tables on Tuesday of conference, as this day is deemed "Sponsor Day." Typically, they are introduced and some of our sponsors have even conducted workshops. I encourage you to take time out during the conference to thank the sponsors and find out what they have to offer to your program. It is a great way to connect with our sponsors and help us grow professionally.

I would like to highlight Stacey Davis from BASE. Stacey is an important partner to many of my FBM students. According to their website, "BASE continues to provide more options for employers to help control the rising cost of health benefits and mitigate the risk of continually changing rules and regulations. Whether employers are looking to enrich their current benefit

plans, offset benefit cutbacks, or implement compliance and cost saving measures, the highly trained staff works diligently to ensure that each plan is customized to meet the specific needs of each client. BASE is committed to satisfy the benefit administration needs for clients of varying sizes, help them succeed in business and provide a sound vehicle for creative money saving benefit strategies and compliance solutions." BASE has been a sponsor for many years for our conference and Stacey will be at this year's conference in La Crosse as well! I encourage you to introduce yourself and ask questions as he has many plans available to help your students.

We are continually getting our sponsors involved in our organization, as it benefits both of us. Maybe some of the sponsors are unfamiliar to you— take time to get to know them and introduce yourself to them. Some of the sponsors have been around for a while, and it is important to reach out and connect with them as well. I have learned so much from the partnership of our sponsors and look forward to adding more. We have some great new partnerships you will be hearing about in La Crosse, WI, that I am really excited about!

Check www.nfbm-conference.org/2024/sponsors24.html to see our sponsors. If you have questions or have connections of new sponsor partnerships we should explore, just let me know. Sponsors also help to keep the costs down on our conference, allow us to invite more speakers, and even allow us to have the quality conference that we value each year! See you in La Crosse!



We are always looking for content from our members to include in the *NUTS & BOLTS*, and we want to hear from you! We look forward to seeing what you have to share with us!

Early Career Session #3 Postponed

The third Early Career training sessions conducted by NAFBAS, which was to be held on May 2, has been postponed to a later date due to a scheduling conflict with the presenters.

The session will feature a discussion of strategies when meeting with farms operating in the current lower income environment. The leaders of this conversation will talk about best practices and ways to handle these discussions.

We will keep you posted when a new date and time have been announced.

Maximizing Farm Success with a Financial Database

By Josh Tjosaas, MN State Farm Business Management Database Leader & Northland FBM instructor, Moorhead, MN

In the dynamic world of agriculture, where every decision counts, the importance of efficient farm business management data cannot be overstated. At the heart of this management lies a crucial tool: our financial database. Whether you're a student using the database to make key decisions or evaluate your operations for strengths and weaknesses, or a stakeholder invested in agricultural success for producers, understanding and utilizing this resource is key to maximizing productivity and profitability.

For farm business management students, a detailed understanding of farm business management is essential for long term success. The financial database serves as a practical classroom, providing hands-on experience in tracking expenses, analyzing profits, and making informed decisions. By engaging with real-world data, students develop the skills necessary to navigate the complexities of farm financials and can compare data to other operations using Rankem

Benchmark Reports or myFINBIN to evaluate whole farm or enterprise analysis versus their peers. Stakeholders, including lenders, agricultural industry professionals, and policymakers, rely on accurate financial data to make informed decisions and mitigate risks. A comprehensive financial database offers stakeholders a panoramic view of the MN farm financial landscape, enabling them to identify trends, allocate resources efficiently, and optimize profitability.

Moreover, in an era of increasing scrutiny on sustainability, a financial database plays a pivotal role in promoting transparency and accountability.

In conclusion, the significance of a farm business management financial database cannot be overstated. For students, it serves as a fundamental tool for learning and skill development, while for stakeholders, it is indispensable for driving informed decision-making and ensuring long-term viability.

Do You Know Your Credit Score?

By Ron Dvergsten, Northland FBM instructor

For decades, lenders have been requesting customer credit reports, primarily to verify non-farm debts and to check past credit problems such as bankruptcies, liens, judgments, etc. The credit report serves as a form of verification to confirm the information the customer provided on the loan application or balance sheet.

As I have dealt with farmers and their lenders, I would hear reference to the individual's credit score, but little was said as to its effect on the final approval of the loan request.

Every working-age adult should annually request their credit report and their credit score. Mistakes do occur in the reporting process and like it or not, it ends up being your responsibility to make sure your credit report is accurate. If something negative shows up on your credit report that should not be there, it will lower your credit score.

Credit scores are just one piece of information that is used in the loan approval process. However, it appears that its importance in the credit approval process will continue to increase. A low credit score could increase



home mortgage interest rates by as much as 2.5% or prevent you from qualifying for a loan. In addition to being used by lenders, insurance companies are also using credit scores in their underwriting policy approval process.

A word to the wise, even if you are not planning on needing credit soon, it is still a good idea to inquire about your credit score and review your credit reports on an annual basis. Mistakes do happen and correcting them doesn't happen over night. If your lender cannot provide you with a copy of your credit report and credit score, you can obtain your credit reports by logging into www.annualcreditreport.com.

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Questions or comments? E-mail us at comments@nfrbmea.org

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