

INSIDE

FARM CREDIT SERVICES
WINTER 2019

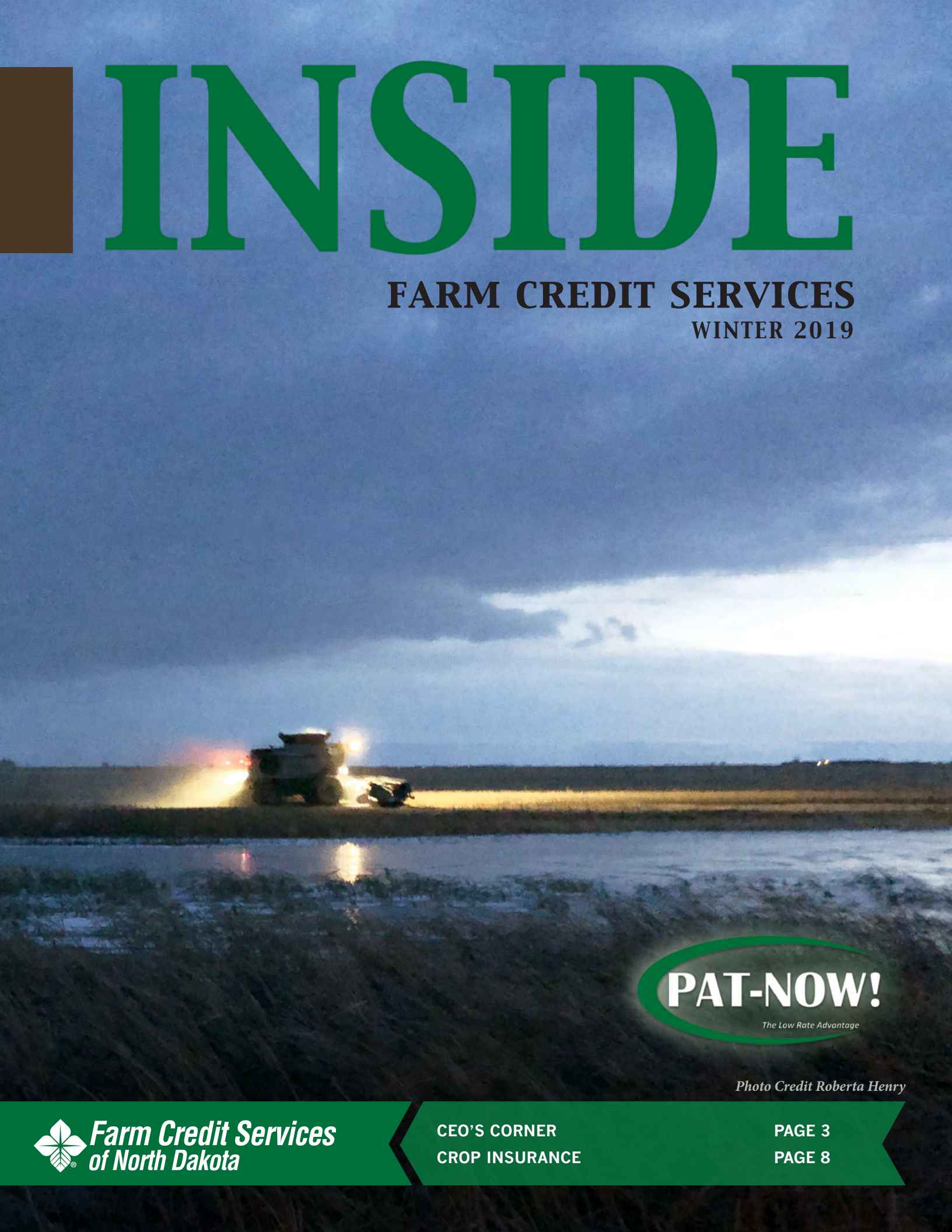
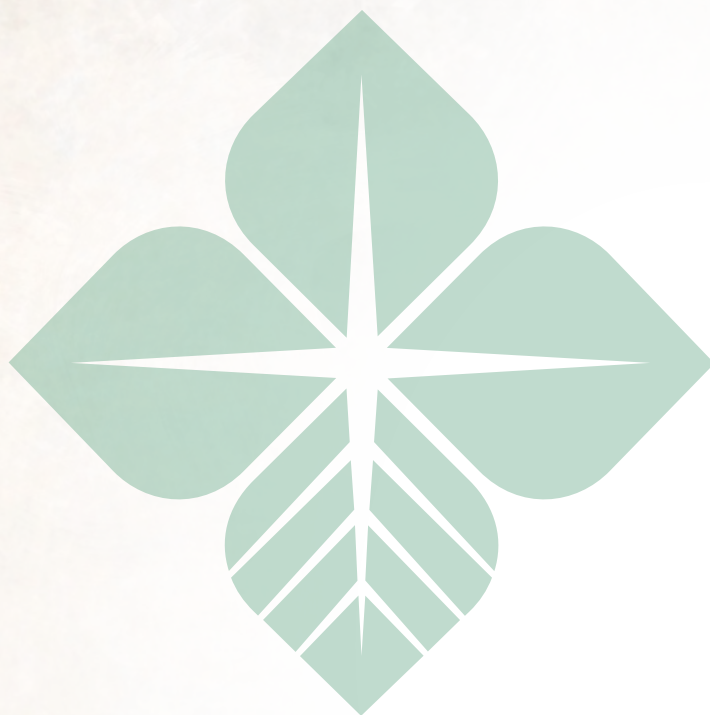
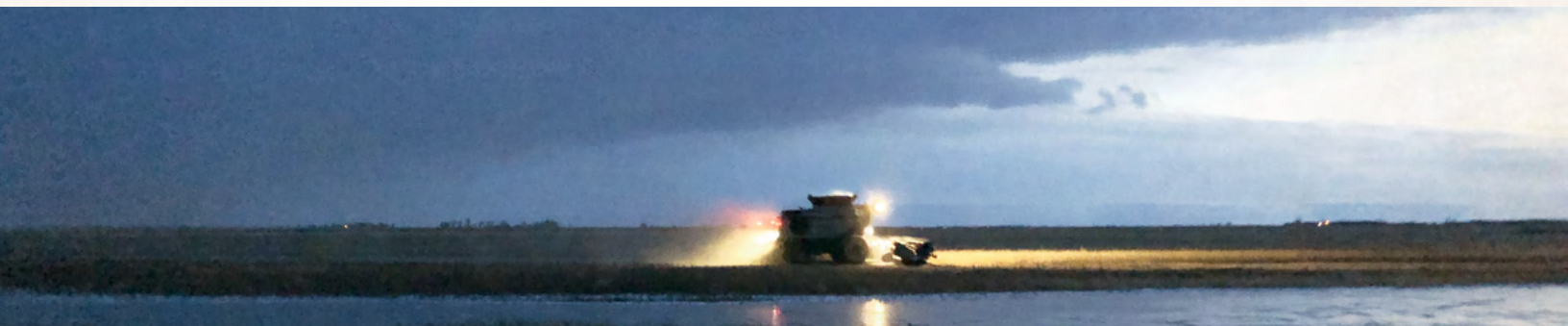


Photo Credit Roberta Henry

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Minot: 852-1265 | Bottineau: 228-3731 | Carrington: 652-2836 | Crosby: 965-2265 | Rugby: 776-5863 | Williston: 774-0055

Bowbells Crop Insurance: 377-3703 | Ward County Crop Insurance - 852-5432

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FARMING

Is Not For The Faint Of Heart

Wow, what a fall and a loooooong harvest season! Frequent phrases I have used throughout my adult life include "farming is the best profession there is" and "farming is not for the faint of heart." I think this is particularly true in North Dakota, especially central and western ND.

In addition to the typical vagaries of farming such as volatile commodity and input prices, central and western ND farmers deal with very short growing seasons, unpredictable weather, an unusually wide range of potential crop yields, and a painfully adverse "basis" reducing local commodity prices. These factors contribute to my IMMENSE RESPECT for the farmers and ranchers in this region. It is an honor and privilege to serve you as a member-owned financial services provider.

In addition to immense respect, Farm Credit Services of North Dakota offers the following unwavering commitments to both existing and new customers:

- We will be a dependable source of constructive financial products and services (loans and crop insurance) at all times; disciplined and responsible in good times so we can be courageous in challenging times. And we are currently in challenging times.
- We will roll up our sleeves and work with you to accurately identify and study key performance metrics for your operation, offering expertise and business insights as desired. We have over 100 staff members to draw upon to live out this commitment.
- We offer to prudently assist in identifying alternatives that you can use to strengthen your operation, and we commit to diligently consider all available loan structuring and other alternatives to constructively support your operation in these challenging times. Importantly, we also commit to not recklessly extend credit in a non-constructive manner that could harm our customers. That is just part of our commitment as a stockholder-owned cooperative. Our success and our stockholder-customers success are completely intertwined. We never forget that!
- We will leverage our over 20 crop insurance specialists to continually study the complex array of crop insurance options and offer you customized options tailored to your operation, needs and preferences. That can make a huge difference when you are subject to unpredictable and adverse weather and commodity prices (kind of like 2019).
- Agricultural downturns certainly cause increased risks, but they also create opportunities. As such, we also stand ready to assist with financing and insurance needs as ag producers respond to the evolving marketplace and inevitable opportunities that arise.

As we work through these difficult times together, I encourage you to reach out to our Farm Credit lending and insurance staff early and often. We are respectfully here for you!

2019 Year End Office Hours and Deadlines:

HOLIDAY OFFICE HOURS:

Tuesday, December 24, 2019
Closed at noon

Wednesday, December 25, 2019
Closed all day to observe the Christmas holiday

Tuesday, December 31, 2019
Open until 5:00 p.m.

Wednesday, January 1, 2020
Closed all day to observe New Year's Day

Thursday, January 2, 2020
Regular office hours

Payments received after the 12:00 noon cut-off time on December 31st will be treated as 2020 payments. Please allow extra time for mailing around the holidays.

Please check with your local office for any questions you may have regarding 2019 deadlines.

We appreciate your business in 2019 and look forward to working with you in 2020. We wish you a very Merry Christmas and a happy and healthy New Year!



FARM CREDIT SERVICES OF NORTH DAKOTA WANTS YOU!

If you are interested in running for a position on the Board of Directors, please contact Kathy Berg, SVP Human Resources, at kathy.berg@farmcreditnd.com or by calling 800-264-1265.



RURAL COMMUNITY *Grant Fund*

SUPPORTING WESTERN NORTH DAKOTA COMMUNITIES

Farm Credit organizations in western North Dakota announced 14 grants totaling \$223,900 to worthy programs that will improve lives in local communities through the Rural Community Grant Fund.

The fund was established as a partnership between Farm Credit Services of Mandan and Farm Credit Services of North Dakota – the two largest providers of agricultural loans in western North Dakota – and AgriBank Farm Credit Bank, their St. Paul, Minn.-based funding bank, to help communities impacted by mineral development.

“Farm Credit is proud to support communities across Western North Dakota through the Rural Community Grant Fund, which has provided well in excess of \$4 million to date to support so many important community projects and needs,” stated Gordon Hanson, CEO of Farm Credit Services of North Dakota.

Grants support critical community needs such as health-care, safety, access to housing and emergency services.

The Rural Community Grant Fund is accepting applications for programs that meet the needs of communities in western North Dakota. Interested parties should apply at: www.AgriBank.com, www.farmcreditnd.com or www.farmcreditmandan.com.

LATEST GRANTS:

AS OF SEPTEMBER 2019

- \$47,500** **BELFIELD AMBULANCE SERVICE**
REPLACING AN AMBULANCE
- \$30,000** **WATFORD CITY VOLUNTEER**
FIRE DEPARTMENT
REPLACING A FIRE TRUCK
- \$25,000** **BERTHOLD POLICE DEPARTMENT**
NEW POLICE SQUAD VEHICLE
- \$25,000** **AFFORDABLE HOUSING DEVELOPERS, INC.**
REPAIRS AT AFFORDABLE HOUSING UNITS
- \$20,000** **NORTH DAKOTA SAFETY COUNCIL**
FIRE SUPPRESSANT TRAINING SIMULATOR
- \$20,000** **TRINITY HEALTH FOUNDATION**
CARDIAC STRESS TEST PLATFORM
EQUIPMENT
- \$10,000** **NEW TOWN POLICE DEPARTMENT**
POLICE K9
- \$10,000** **DIVIDE COUNTY AMBULANCE SERVICES**
NEW AMBULANCE RADIOS
- \$10,000** **CROSBY RURAL FIRE PROTECTION DISTRICT**
RESCUE TOOL SET REPLACEMENT
- \$6,900** **BEULAH RURAL FIRE DEPARTMENT**
FIRE HOSE REPLACEMENT
- \$6,000** **GRANVILLE RURAL FIRE DEPARTMENT**
RESCUE EQUIPMENT
- \$5,000** **PORTAL INTERNATIONAL FIRE DEPARTMENT**
FIRE HALL EQUIPMENT
- \$5,000** **HOPE'S LANDING WESTERN EDGE MINISTRY**
FURNITURE AT A SOBER LIVING HOME
- \$3,500** **DOMESTIC VIOLENCE CRISIS CENTER**
SAFETY ENHANCEMENTS

FARM CREDIT SERVICES PLANS MOVE TO NEW OFFICE LOCATION IN MINOT

As announced earlier this spring, Farm Credit Services of North Dakota has purchased the IRET building located behind Dakota Square Mall and has sold their current office building on 10th Street SW to Investors Real Estate and Trust (IRET).

Farm Credit Services of ND has been in its current location for over 40 years and has been able to serve its customers very well. However, we outgrew the available building space and as a result moved some staff to the upper floor of the IRET facility several years ago.

The new facility will allow for more focused office space needed to continue providing excellent customer service and bring the Minot Farm Credit Services staff together in the same location.

Designs for the floor plan and exterior were completed and construction is well underway! Renovations of the main floor, which will be a new customer contact area, began in July and will take approximately 5 to 6 months. We estimate moving into the facility sometime in January 2020.



UNDER CONSTRUCTION



Once the ground floor renovations are completed, remodeling will continue on the upper floor with plans for completion sometime in the fall of 2020. We look forward to moving into the facility to better accommodate our customers as well as our staff. This is a great opportunity to enhance our space to reflect our commitment to service our customers and the Minot community.



• Dan Beyer •

ONLINE BANKING IS HERE

Technology Update

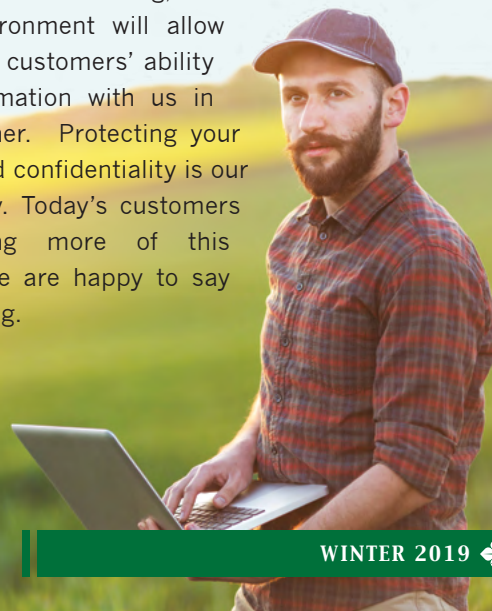
On October 7th, Farm Credit Services of North Dakota launched its new customer portal that provides our members with a multitude of services that can be transacted electronically. The updated online banking system is the highlight of the customer portal, allowing customers to access their account and move funds electronically with ease.

The conversion process for customers that were on our old system went smoothly and we have seen an increase in enrollments with customers looking for the convenience of transacting business on their smart phones and tablets. We have at least one staff member in each of our branch locations that can help you enroll. You will need to complete an electronic funds transfer (EFT) form in our office prior to signing up for this service.

This updated system allows customers to initiate transactions between accounts more efficiently and timely. It has increased robust capabilities and customers will have a streamlined look to better view account balances and expanded customer account information. A user friendly mobile app can be accessed from the App Store

on your iPhone. Just type in Farm Credit ND in the search bar after you complete the EFT form at the branch office and sign up! At this time, Android phones are not able to obtain this app – we are in the process of working through the restrictions the vendor has placed on this system.

Beyond the online banking, a secure electronic environment will allow greater ease of customers' ability to share information with us in a secure manner. Protecting your information and confidentiality is our highest priority. Today's customers are demanding more of this service, and we are happy to say we are delivering.



STRESS <<<<<<

>>>>>> ON THE FARM AND RANCH

By Darren
Dobrinski

The current economic and climatic agriculture conditions are challenging to producers throughout North Dakota. Farmers and ranchers are feeling the pinch similar to that of the farm crisis in the 1980s. Research during that time indicated that many farmers had a difficult time coping with economic stress which caused mental health issues to rise at alarming rates. Today depression and anxiety are more common in the agricultural population than any other group, and statistics indicate those in agriculture are committing suicide at a rate 5 times greater than that of the general population. Yet farmers and ranchers are one of the most underrepresented population segments seeking professional help with these conditions. There is a need to get past the taboo of mental health and view it for what it is – a real biological condition.

Just as one would listen to an alert on a combine, one should listen to the alerts the body is sending and take action when warning signs appear.

Farmers and ranchers are keen on identifying signs and symptoms that could impact their crop or livestock. They are problem-solvers that are constantly monitoring and, when a problem is identified, they take the necessary action to correct the issue. Even before issues arise, they plan in advance by using crop/livestock protection products to protect their income from disease and yield loss. In addition, they listen to their equipment when it alerts them an issue needs to be corrected. Alarms in combines remind them to slow down when conditions get tough, and monitors for air seeders and planters warn when a row or section is not seeding. When these messages appear on monitors, farmers and ranchers listen to the warnings and take action to fix things before they can become a bigger issue.

The human body is also well equipped with monitors that give clues when there are issues. Thoughts, emotions and sensations are all used to communicate between the body and brain and can warn that something needs attention. For example, feelings of frustration with the weather and disappointment in the current agricultural economy could contribute to the worry of what the future

of agriculture will be for farmers and ranchers. This worry could manifest itself in the body and mind in the form of stress. Farming has been, and seemingly will always be, rated as one of the most stressful occupations. There are many physical and emotional warning signs of stress, from headaches, high blood pressure, ulcers, and backaches to irritability, impatience, feelings of worthlessness, and hostility towards yourself or others. Ignoring these symptoms could lead to more chronic conditions that may need medical attention. If a painful sensation, a negative thought or emotion is experienced, the best response is to try to figure out how to take action so things are able to be fixed before they become a bigger issue, as one would do when working with crop or livestock.

Unfortunately, in agriculture some causes and warning signs for which the body sends alerts have no simple solutions. Whereas you can slow your speed on a combine to fix that issue when the alert is noticed, you can't always do something about what needs to be changed (like the weather) in order to stop the alerts the body is sending notifying you something is wrong. So then what? If the stressors affecting the mind and body can't be controlled, what should be done? One main suggestion is to focus on the things that can be controlled. Shift your thoughts from worry to problem-solving. Instead of repeatedly thinking about the weather and how there's not much one can do about it, one could change the thought pattern to:

"If the weather will not allow me to complete harvest, have I talked with my insurance agent to provide me with the facts on what that means?" Or the following:

"Have I had conversations with my loan officer to understand my break-even relative to current commodity prices?" These types of questions will lead to a better understanding of your situation and the options you may have.

Why is listening to your body and reducing stress important? <<<<<<

If you have ignored the warning signs of stress, the body's monitoring system will eventually exhaust itself. Neurotransmitters start to misfire and the brain starts to reduce the production of healthy hormones. These repeated alarms in the body begin to shut down and people begin to feel there are few options for them to fix things or even address the issue. This can lead to depression. Depression is not something that should be ignored. It does not only show up as feelings of sadness, but also of anxiousness or repetitive thinking from which one can't seem to find a way out. Depression can lead to suicide. It is a serious health concern that needs medical attention and, as noted above, is statistically higher in the agricultural population, but can be treated and managed.

So once again, what can be done? Be cognizant and listen to your body's monitor system. Do not ignore the thoughts, emotions and sensations that are telling you that something is wrong. Be vigilant with family members and friends who may be showing signs of stress, talk to them about it and listen to those who may bring the subject up to you. Depression is a biological change in the body, not something someone experiences because they are weak – seek assistance in getting through the tough time.

There are many strategies to alleviate stress. Here are a few suggestions: make a list of things you want to accomplish each day, focus on what you can control, surround yourself with positive people, make time to do something that you enjoy each day, and exercise and maintain a healthy diet. Plan ahead and control the things that you can. If these suggestions don't seem to be helping, talk to others about what you are experiencing.

Farming is cyclical and the current cycle is likely causing stress to many. Stay vigilant, don't ignore the symptoms in yourself or others, and find healthy ways to cope with current conditions. For more information on how to alleviate stress and anxiety go to the NDSU Extension website that has several fact sheets and suggested strategies to manage stress. For NDSU Extension resources dealing with farm/ranch stress, visit www.ag.ndsu.edu/farmranchstress or call 701-231-7171.

Contact Information and Links:

- ▶ **In an emergency call 9-1-1**
- ▶ **FirstLink Help Line call 2-1-1**
 - This number connects callers to community resources, provides confidential listening and support, and also offers information and referral services. Call specialists are also trained in crisis and suicide intervention.
- ▶ **National Suicide Prevention Hotline, available 24/7, 800-273-8255**
- ▶ **LSSND's Abundant Care Fund Abound Counseling (701) 223-1510**
 - Offers in-person and statewide telehealth counseling services. Fees may apply but payment options are available.
 - Farm Stress | LSSND LSSND.org
- ▶ **NDFU.org**
- ▶ **Agrisafe.org**

Darren Dobrinski has a master's in counseling psychology and a PhD in school psychology. He has worked in a rural community mental health clinic, an inpatient care floor of a hospital, specialized in children's psychological needs as a school psychologist, and was a professor of psychology at Minot State University before joining Farm Credit Services of North Dakota. In addition, he is a fourth generation farmer.

CROP INSURANCE

2020 FARMER MEETINGS

JANUARY 2020

29	11:00 AM	Ag Expo
30	11:00 AM	Ag Expo
31	11:00 AM	Ag Expo

FEBRUARY 2020

5	10:30 AM	Rolette Cafe
5	4:30 AM	Bottineau / Marie's
5	Noon	Divide County Courthouse
6	10:30 AM	Esmond Cafe
11	10:30 AM	Willow City / Backwoods Cafe
12	10:30 AM	Carrington FCS Office
12	Noon	Bowbells / The Joint
12	5:00 PM	Lignite Community Center
13	9:30 AM	Bottineau FCS Office
13	9:30 AM	Tioga / Just Off Main
13	Noon	Harvey Eagles Club
14	Noon	Williston / Hampton Inn
18	10:30 AM	Mohall / Emergency Medical Bldg.
19	5:00 PM	Rugby Eagles
25	10:30 AM	Minot / NC Research Ext. Ctr.
25	1:00 PM	Minot / NC Research Ext. Ctr.

Watch for a postcard with updated information regarding meetings in your area.

OPTIONAL VS. ENTERPRISE UNITS

What's Best for You?

This past harvest was one to remember, or perhaps, one to forget. Cool temperatures in August, unrelenting rain in September and then snow in October did not give many producers the stretch of good harvest weather we come to expect. "The lack of heat last summer delayed maturing crops and then we went through rain event after rain event," says Nick Dreyer, Minot Insurance Supervisor. The excess rain on the maturing crops deteriorated quality in small grains which made for a frustrating harvest and sent farmers to their crop insurance agents asking many questions. Keith Seney, Crop Insurance Specialist, says "75 to 80% of our customers elect Enterprise Units because of the cost savings."

Enterprise Units combine all the acres of one crop in one county into one guarantee. To qualify you need at least 20 acres in two different sections. Enterprise Units became permanent in the 2014 Farm Bill, offer a higher subsidy and lowers your premium substantially because you take on more risk. For example, a 32 bushel wheat guarantee costs approximately \$4.75 with Enterprise Units or \$13.00 with Optional Units.

Optional Units give you a separate guarantee for one crop in each section. In some cases, farmers got half their small grains harvested before all the moisture and the other half was lower quality grain. Enterprise Units would have worked against them since they harvested a lot of good quality bushels.

Looking at this, risk protection will come into greater focus next year when you're looking at crop insurance options by March 15, 2020. "There will definitely be situations to go over with each of our customers on the impact 2019 has had on the indemnity payments in regards to unit structure," explains Seney.

Every farm is different. Your acres could be spread out, you could farm in multiple counties or you could look at increasing/decreasing levels. Weigh the amount of money you've saved with Enterprise Units using the harvest you just experienced. Most importantly tap into the knowledge of your Farm Credit Services Insurance Specialists.



RANDY GORDER

Bottineau Insurance Specialist Randy Gorder retired the end of September after 19 plus years at Farm Credit Services of ND. We sat down with Randy to reminisce and gain some insight on her time at FCS of ND.

“When I was hired by FCS as an Insurance Specialist I had experience in the Crop Insurance industry. Even though I was not a rookie, I learned a lot working with Becky Braaten. She and I were the only insurance staff in our branch at that time. She taught me the importance of focusing on each individual’s strong points and qualities and also helped me grow as a person.”

WHAT’S YOUR FONDEST MEMORY?

“Some of my most memorable times are from attending the District Insurance Conference. There were some great speakers but also important was the networking and getting to know insurance staff from our association at a different level. On the social side of the conference, one year we dressed up as biker chicks for the dance and banquet. Definitely outside of my box, but it was a blast!”

Randy continued, “In regard to my farmers, one of my fondest memories is one of my guys bringing me flowers from his pasture in a crystal (plastic) vase he made. I really appreciated it and it made me laugh! Other special things are the special thank you emails and verbal thank yous for all we do, and saying he and his wife “know they are at the right place.”

Randy also added, “There were so many words of thanks from guys when we updated their yields for the farm bill.”

WHAT WILL YOU MISS MOST?

“The friendships I have made with my farmers and co-workers. The farmers and I have not only discussed farming and their crop insurance, but also our families and personal life. I consider many of them more than customers – they are my friends. I will also miss working with our insurance team.

WHAT MESSAGE DO YOU WANT TO LEAVE YOUR FARMERS?

“A big Thank You to each of my farmers for giving me the opportunity to work with you!”

WHAT ADVICE WOULD YOU GIVE NEW INSURANCE SPECIALISTS?

“There are so many things, but first and foremost, do not be afraid to admit when you do not know something – ask questions. As the old saying goes, “No question is stupid.” When a farmer asks you a question and you are not sure of the answer, say you are not sure but you will check on it. Get back to them with an answer ASAP. You have a great insurance team with a lot of experience to draw from as well as the insurance companies.

If you make a mistake, admit it right away, and if it’s a situation that the farmer needs to know about, it is better to let him know sooner rather than later. Don’t promise him anything, but tell him you will work on it and see if anything can be done.

Don’t promise to fix something that you have no control over. Do not say “sorry” when you have nothing to be sorry about. Sometimes it’s just the “rules.”

Work as a team. You can’t know everything. Situations come up that you have never dealt with before. Reach out to a team member (not just in your office) to ask questions or to discuss a situation you might have with one of your insureds. Sometimes it is better to talk to a fellow insurance specialist before contacting the insurance company. Sit back and think before contacting the insurance company – don’t act too quickly.

Be a friend to your insureds. Show that you truly care about them as a person and about their operation. I liked to ask about their family, if appropriate.

When you disagree with an insurance company, be firm without being rude. You never know when you might need their help.

When you are exhausted at the end of the day during our busiest times, try to treat your spouse/significant other as well as you treat your farmers. That’s not always easy. Remember to take care of yourself.

Thank you Randy, not only for your 19 plus years at Farm Credit, but all that you have done for the community and farmers throughout your entire career.

WE’RE HERE TO HELP YOU!

FARM BILL UPDATE MEETINGS

to be held in the following locations:

CARRINGTON
December 16, 2019
1:30 pm at
FCS Carrington Office

MINOT
January 2, 2020
9:30 am at NDSU
Research Extension Ctr.

RUGBY
December 17, 2019
9:00 am at FCS Rugby Office

WILLISTON
January 3, 2020
10:00 am at Hampton Inn

**Check your mailbox for postcard reminders*

Supplemental Coverage Option (SCO) Fact Sheet

Important SCO Facts

- SCO provides area-based coverage above your underlying policy's coverage level up to 86%.
- SCO uses RMA data, not NASS.
- Beginning with the 2020 crop year, producers that have purchased SCO will be required to annually report acres that have ARC elected or will have ARC elected on their acreage report. Producers that later elect ARC on acreage not identified as covered by ARC, or that have misidentified acres covered by ARC, will be ineligible for an SCO indemnity on such acreage due to the prohibition on SCO coverage on acreage with ARC elected. Producers will owe 60% of the SCO premium due on affected acres.
- Claim payments occur later than the underlying policy, as late as June of the following year.

SCO Coverage Example: A grower purchases a RP policy at 70% coverage.

Percent of Expected Grower Revenue	Individual Loss	Area-Based Loss
100%		
95%		
90%		
86%		SCO Revenue (70% to 86%)
85%		
80%		
75%		
70%		
65%	Individual Revenue Policy (70% coverage)	
60%		
55%		
50%		
40%		
30%		
20%		
10%		
0%		

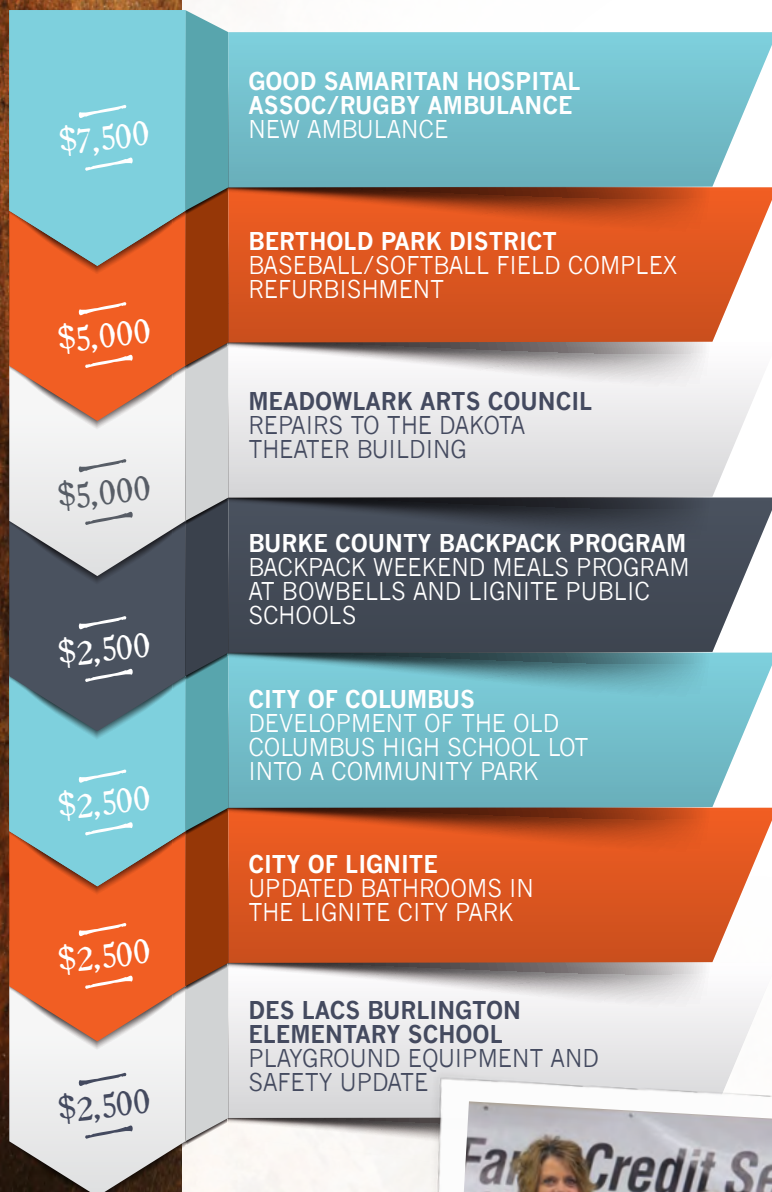
Additional SCO Details

- You are able to select SCO when you elect the Price Loss Coverage (PLC) at the Farm Service Agency (FSA).
- You must apply for SCO by the crop's sales closing date (SCO is continuous until it is cancelled).
- If allowed in the actuarial, separate supplemental protection is available for each practice, type, and coverage level.
- New for 2019, producers now have the ability to reduce their SCO liability by a "coverage percentage" elected on or before the Sales Closing Date. The range is from 50%-100%.
- SCO must be purchased with an underlying individual policy and will mimic how it works. These consist of: APH, Yield Protection (YP), Revenue Protection (RP), or Revenue Protection with the Harvest Price Exclusion (RPHPE).
 - If the underlying policy provides Revenue Protection, then the SCO will provide revenue coverage on a county-basis.
 - If the underlying policy provides Yield Protection, then SCO will provide yield protection on a county-basis.
- SCO uses its own Administrative Fee (\$30), as well as premium (subsidized at 65%).
- The SCO liability (maximum payout) will be based on the expected crop value (the insured's APH) for the individual grower. Since there are no units for SCO, policy protection is based on all planted acres of the crop in the county insured by the underlying policy, excluding acres covered under STAX or ARC.
- High Risk acres insured under the underlying policy are insured under the SCO.
- Since the SCO supplemental protection is based on the underlying policy, any premium and/or indemnity reduction made on the underlying policy will apply to the SCO.
- If the underlying policy is cancelled or terminated, coverage for the SCO Endorsement is automatically cancelled.

PAT-NOW COMMUNITY FUND AWARDS LOCAL AREA GRANTS



DURING THE REVIEW SESSION FOR THE PERIOD ENDING AUGUST 2019, THE FOLLOWING GRANTS WERE AWARDED.



The Pat-Now Community Fund (PNCF) continues to provide assistance for worthy programs and projects that strengthen and support rural communities in northwest North Dakota. Farm Credit Services strongly believes it's important to give back to the community.

Farm Credit Services of ND is proud to announce recent Pat-NOW Community Fund (PNCF) grants awarded to local area businesses and organizations.

The year to date total funds awarded as of August 2019 is \$62,500.

The Pat-NOW Community Fund of \$100,000 is funded annually by Farm Credit Services of ND. Applications are reviewed three times a year and grants will be considered for up to \$10,000, or possibly higher based on special request. For more information on the PNCF, and for the online application, visit our website at www.farmcreditnd.com.



INTEREST RATES

HOW YOU CAN SAVE OVER THE YEARS



• Todd Erickson •

As I write this article in October, the Federal Reserve Bank has recently cut .25% off their prime lending rate. This is their 3rd reduction in 2019 following a series of rate increases dating back to December 2016. Farm Credit Services of North Dakota reduced our variable rates for both short-term and long-term loans following the late October Federal Reserve action. Along with the variable rate decrease, the fixed rates have begun a downward trend to make locking in a rate more attractive.

Farm Credit Services of North Dakota, through our Pat-NOW strategy, has saved producers a large amount of interest rate expense over the years. This savings has helped the overall operating expense budget for our farmers and ranchers during times when other costs of production continue to rise. We continue to monitor our competition and our own cost of funds to ensure we are priced fairly within our territory.

One advantage of our interest rate program is the ability to match a fixed rate duration for almost any maturity date – whether it's 1 year to 30 years. Our borrowers can choose a rate by loan that best suits their appetite for interest rate risk. By using a mixture of fixed and variable rates in your portfolio, a borrower can offset any risk of rapidly changing rates. Converting a current rate from variable to fixed, or vice versa, is easily accomplished at no cost to the borrower without the hassle of rewriting a loan. Simply visit with your loan officer or customer service representative at your local branch office to see the options available to you.

Many have often wished they had a crystal ball to predict the future and help them make the best choices in life and their business. Being able to have the flexibility to match a rate that best fits you, the producer, is just one of our goals to help farmers and ranchers in northwest North Dakota. Visit with a Farm Credit Services of North Dakota representative today to see what we can offer you.

Thank you for your business.

FARM CREDIT SERVICES OFFERS COLLEGE SCHOLARSHIPS

Farm Credit Services of North Dakota will award six scholarships in the amount of \$1,000 each to high school seniors who plan to enroll in college this fall.

Eligible applicants must reside in our 17 county territory in northwest North Dakota. Selection is based on academic record, personal attributes, vocational promise, leadership and financial need.

Students may obtain scholarship application forms from their high school counselor or ag instructor, Farm Credit Services offices in North Dakota, on our website at www.farmcreditnd.com or by writing to Teresa Kjellberg, Director of Marketing, Farm Credit Services of ND, PO Box 70, Minot, ND 58702.



Deadline for submitting applications is March 2, 2020

NEXTGEN AG PROGRAM

Farm Credit Services of North Dakota's NextGen Ag program is proud to offer its 4th annual seminar on Tuesday, January 21, 2020, at the Grand in Minot for young and beginning farmers.

While tailored for the young and beginning, all producers are welcome. We are excited for an informative lineup this year that will give you some tools to maximize your marketing efforts. The seminar runs from 9:30 a.m.-2:30 p.m., with lunch provided. There is no cost for the seminar, but pre-registration is required by calling 800-264-1265 before January 17th.

Nationally known speaker Tommy Grisafi is a commodity risk management advisor at Advance Trading in Valparaiso, IN. He developed an interest in managing risk in 1990 when he attended a class field trip to the Chicago Board of Trade in High School. Tommy became a recognized member of the CBOT and CME group on his 21st birthday and has maintained this status for 24 years. In addition to his position as an Ag Risk Management Consultant and an independent trader, he also operates "Ag Squawk," a weekly roundtable discussion among Ag industry leaders and enjoys public speaking at farm meetings and events.



Farm Credit Services and local high school football teams have teamed up for the past seventeen years hosting "Home Field Advantage" tailgate parties.

Farm Credit Services sets up the Pat-NOW grill and "tailgates" at local high school football games. Game-goers can purchase a hamburger or hotdog, chips and beverage with all proceeds being donated back to the home team.

After seventeen seasons, Farm Credit Services has donated over \$81,000 to designated school organizations in local communities as a result of the tailgate events.



Dr. Frayne Olson is the Crop Economist/Marketing Specialist with the North Dakota State University Extension Service. He conducts educational programs and research in evaluating crop marketing strategies, crop outlook and price analysis, and the economics of crop contracting. He also works with colleagues in the areas of risk management, agribusiness management and farm management. Dr. Olson received his PhD from the University of Missouri in Agricultural Economics, and his M.S. and B.S. in Agricultural Economics from North Dakota State University.

Scott Johnson, Grain Procurement Development Specialist, has been with Cenex Harvest States (CHS) for the past four years. Initially hired as a grain buyer Scott covers 7 states with CHS working with their local grain buyers and training them to work the producers and the tools that are available for marketing decisions. Prior to his role at CHS Scott worked for Cargill for 27 years in feed sales, the swine business, crop insurance sales and finally as a grain buyer.

Nick Dreyer, Minot Insurance Supervisor, will also present a crop insurance update over the lunch break. We look forward to seeing you!

FCS Raises Over \$81,000 for Local High Schools

"We had a great year of high school football games barbecuing, having fun with the fans and continuing to raise money which was all donated back to the home teams," says Becky Braaten, SVP Insurance Services with Farm Credit Services. "In seventeen years of tailgate events in our local communities, we are extremely proud of raising money for these school organizations," she adds. Be sure to watch for us next year at your local high school!



EMPLOYEES



Christin Billinger

Christin joined Farm Credit Services as a remote Credit Analyst located in Manhattan, KS. Christin previously worked for Frontier Farm Credit in Manhattan, KS in the Commercial Credit Department. She graduated from Kansas State University with a Bachelor's degree in Business Management. Christin and her husband, Tyler, stay busy with 3 girls involved in dance, soccer, gymnastics, volleyball and basketball. She grew up in a small western Kansas farming community and loves that working for Farm Credit will keep her connected to her roots. Her favorite activities include staying active, working out, running after 3 girls, supporting her husband's company, Billinger Construction, baking in her free time, traveling and spending time with friends and family.



Matt Bates

Matt joined Farm Credit Services as its Vice President of Risk Management. He most recently served as a Senior Enterprise Risk Analyst at Farm Credit Mid-America in Louisville, KY. Matt graduated from Wilmington College (OH) with a degree in Business Administration and Mathematics and is a recent graduate of the Stonier Graduate School of Banking. He and his wife, Ellen, grew up in a town 30 miles northeast of Indianapolis, IN. Matt, Ellen, and 18-month-old son Luke are excited to join both the Minot and Farm Credit Services of ND communities. In his spare time, Matt enjoys upland hunting, playing and spectating soccer, and spending time with his family.



Melinda Hahn

Melinda recently joined Farm Credit Services in the Rugby branch as a Customer Service Representative. She grew up in Bottineau and graduated from Bottineau High School. She attended Minot State University and graduated with a Bachelor's degree in Accounting. With a banking background she is excited for this next chapter with FCS of ND. Melinda has a son, Garret, who will be graduating from UND in December 2019. Camping, baking and spending time with family and friends are things she enjoys.



Ann Kalvick

Ann recently joined Farm Credit Services of ND as a receptionist in the Minot office. She was previously employed with Integrity Viking Funds as a Shareholder Services Representative. Ann was born and raised on a farm outside of Surrey, ND, and graduated from Surrey High School. She and her husband, Kip, reside in Surrey and have two grown children, Sydney and Ethan. She enjoys crocheting, traveling and spending time at the lake. She looks forward to greeting all the customers as they stop by for a visit.

2020 UPCOMING FCS EVENTS:

January 30, 2020

FCS Customer Appreciation Supper
Clarion Hotel, Minot
(formerly the Holiday Inn-Riverside)

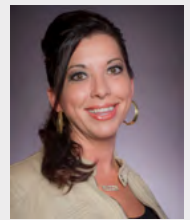
April 21, 2020

"Spring it on!" Ladies' Event
The Grand, Minot

June 23, 2020

2020 FCS Annual Meeting
Minot Office
1400 31st Ave SW, Minot

Transition Strategies for the Family Farm



Marissa Nehlsen

When it comes to planning for our local farmers and ranchers, I am always reminded of growing up on the farm with my grandpa. He used to say things like, “Make hay when the sun is shining,” and “We can prepare, or we can repair.” For over 26 years, our team has used basic principles like these to develop systems and tools that help farming and ranching families achieve their financial goals. One specific area that we have been getting a significant amount of questions on recently is Transition Planning. Transition Planning can be a grueling and difficult process.

For those that have a next generation farmer in the family this takes significant thinking time and there are many important questions that need to be asked. We begin by separating the conversation into two key areas, Land and Operation. Will the land be rented by the next generation farmer and passed on death, or do you intend to transition the land sooner with a sale or a gift? Make sure that your estate plan is also coordinated as a part of this transition process to protect the land from things such as long term care costs, divorce, or an untimely death.

When the conversation moves to the operation, the biggest hurdle is almost always the tax consequences. Selling farm assets that have been depreciated can result in some very scary tax consequences if a sale is not properly structured. So, it is key to develop a strategy that makes it affordable for your next generation farmer while also making it tax efficient. Gifting of machinery as well as equipment rental contracts with an option to purchase are becoming very popular.

For those with no next generation farmer, it is imperative that we understand the tax consequences of the sale of the operation, grain, machinery etc. In recent years, our team has developed some strategies with regard to the sale of grain and equipment that can greatly reduce your tax liability. For grain sales in your final 3-5 years of actively farming, a short-funded pension plan can be a great option that can give you significant tax deductions and build cash for your retirement. Additionally, we teach some strategies on how to position your equipment prior to a sale within a structure that will not be taxed until you take the money out.

Unfortunately, there’s a lot of misinformation in the market about how to transition into the sales. This is an area our team has spent many years developing comprehensive strategies, because we believe that all the years you’ve spent working hard to build something for your family should not be lost to taxation. In the upcoming winter months, we will have several workshops around the state of North Dakota which are free to the public to attend.

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**Our firm does not provide legal or tax advice. We partner with unaffiliated tax and legal professionals to coordinate your overall plan. Be sure to consult with your own legal, tax and health advisors before taking any action that may have tax implications.*

FUNDS HELD POLICY CHANGE

Farm Credit Services of North Dakota offers a program for customers to deposit funds in excess of regular loan payments into a funds held account. This program has been a Farm Credit staple for many years and was designed to allow customers to designate their money for future payments to specific loans. There are two changes that will be effective January 1, 2020.

For mortgage loans, the funds held balance could not exceed the unpaid principal balance of the loan. This same limit will now be applied to commercial Loans. Previously, commercial loan limits on funds held was based upon historic or reasonably projected borrowing needs for the entity during the operating cycle.

There is no change for loans with prepayment penalties, with the limit of 10% of the original commitment or the limits for mortgage and commercial loans as set forth above. It is important to note however, that commercial loans are now limited to the unpaid principal balance of the loans.

The funds held interest rate will be changing from a fixed rate of 50 basis points below the association average marginal cost of debt, to the the AgriBank Money Market Investment Bond Rate (FCM). Eligible customers are able to request a FCM account, which rate will now be the same as the funds held rate. There are no limits available for deposit into an FCM account. Please visit with your loan officer for more details if you are interested.



**Farm Credit Services
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- ◆ HAIL INSURANCE
- ◆ LIFE INSURANCE

Farm Credit Services of North Dakota is an equal opportunity provider and employer.



FINANCING RURAL COMMUNITIES

◆ FOR OVER 100 YEARS. ◆

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WILLISTON
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INSURANCE
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WARD COUNTY
CROP INSURANCE
701-852-5432