

AgStar

# Today

Fall 2010





## When survival depends on quick expansion

Talk about growing pains. After the first meeting with Lookout Ridge Consulting's dairy consultant Steve Bodart, Cris Peterson cried all the way home. "I burst into tears because of all the mistakes we were making," Cris explained. Although they laugh about it now, Four Cubs Farm was faced with either staying competitive by growing dramatically or shutting down.

For some 25 years, the Petersons had been content with a 45-cow dairy operating out of the family's 100-year-old homestead. With son Ben finishing college and heading back to manage the farm, Gary and Cris knew they had to ramp up operations quickly. "You tend to get isolated working on a farm," Cris said. "It's easy to get complacent."

They enlisted Steve, a financial analyst who had worked on a dairy farm, as the architect of a sweeping business plan. Adverse to risk, Gary needed to see the numbers and know the plan would work before moving forward. "Steve was the best thing that ever happened to us," claimed Cris.

### **Growing 15 times bigger.**

With Steve's plan and the services of Lookout Ridge Consulting, Four Cubs Farm has grown to 15 times its original size and now houses 700 cows. The dairy also farms 1,600 acres to feed the herd, raises its own heifers and manages an on-site waste reclamation system.

Cris gives much of the credit for their success to outside consultants, including Lookout Ridge. She believes they give her a window into what other dairies are doing and a perspective on the industry as a whole. "We've used external expertise from the get-go," she stated. "I don't know how we'd manage without them. We're not afraid to take their advice and pretty much follow whatever recommendations they propose."

In addition to devising a strategy for short-term growth, Lookout Ridge Consulting is helping Four Cubs with a plan to guide them into the future. The Lookout Ridge Consulting team created a seamless succession plan that takes into account the needs of the parents as well as Ben and his non-farming siblings. Today, 60-something Gary acts as CEO and president while Ben is officially the general manager. Cris is still in charge of public relations and daily bookkeeping, but has more time to spend on her passion: writing children's books about the wonders of farm life.

"The expert help with our succession plan has allowed us to move ahead with our dreams," Cris said. "It has been a wonderful experience that I know we'll continue."

### **Staying successful in a turbulent economy.**

Lookout Ridge Consulting helps with overall dairy management and acts as a sounding board for ideas. "We monitor

## Four Cubs Farm

performance against the business plan,” stated Steve. “At times, the Petersons have asked us to review building designs, provide input on animal grouping and comment on facility remodeling to improve cow comfort. We provide the best consulting to help with whatever they need to sustain a happy, profitable business.”

Based on Cris’s daily numbers, Steve compiles the quarterly reports and profit projections. The team meets every three months to fine-tune the business plan and brainstorm.

While the firm has assisted Four Cubs Farm with multiple expansions over the years, Lookout Ridge Consulting was prepared for the recent drop in dairy prices. For example, Steve worked with AgStar to get the dairy pre-approved for a \$400,000 line of credit.

“When we walked into our quarterly team meeting, Lookout Ridge Consulting already had a strategy for how we were going to survive the dairy downturn,” Cris remarked. “They gave us hope and a plan, and took away a huge stressor. Because of their direction, we pretty much know where we’re going and are having fun getting there.”

Four Cubs Farm runs most decisions by AgStar and Lookout Ridge Consulting before finalizing them. Cris said that’s good for the farm and the lender.

### Keeping ahead of the tax man.

Having an extensive working knowledge of the operation gives Lookout Ridge an advantage that pays off for Four Cubs

Farm. Lookout Ridge sees the entire picture, not just one piece of the puzzle, so they can advise Cris, Gary and Ben accordingly. For example, at one point, Four Cubs Farm had another tax specialist who informed the Petersons of a pending tax bill payable immediately. Lookout Ridge Consulting got a look at the numbers, called an emergency meeting on a Friday night and restructured the dairy’s finances to negate the bill. “Obviously, I’m very comfortable with Lookout Ridge Consulting’s accounting,” stated Cris.

Needless to say, today the farm relies on Lookout Ridge Consulting for tax advice. Cris calls the firm’s specialist ‘a tax genius.’ His enthusiasm, creative ideas and willingness to drop everything and help is truly a gift to us.”

### A win-win for everyone.

“Lookout Ridge Consulting has made us a lot of money over the years. Their pros are an integral part of our business and we could never have achieved this level of success without their help. They make farming fun for us, and Steve almost never makes me cry anymore,” joked Cris.

For more information, visit [www.lookoutridgeconsulting.com](http://www.lookoutridgeconsulting.com) or contact Steve Bodart at 715-688-6364, [steve.bodart@lookoutridgeconsulting.com](mailto:steve.bodart@lookoutridgeconsulting.com).



The Peterson Family of Four Cubs Farm.

Gary Peterson has been dairying at Four Cubs Farm since 1965. The farm was homesteaded in 1877 by Gary’s great-grandmother. The existing barn and house were built in 1895 by his great-grandfather with lumber cut from the surrounding land.

The dairy got its name back in 1934 when a mother bear and four baby cubs spent two days perched in an oak tree in the front yard. People drove from miles around to see the sight.

In 1998, Gary and his wife, Cris, had an operation with 45 cows in a 100-year-old tie-stall barn and 200 cows in a six-row free-stall barn. Today, together with their son Ben, the Petersons milk 630 cows three times a day. Each cow produces an average of 11 gallons of milk daily.

Six lactation groups housed in the existing 624-cow facility are fed a single ration once a day. The dry cows are housed in a 54-stall building with outside feeding and another 38-stall building.

The Petersons raise much of the feed for their milking herd on 1,600 rented acres that produce corn, alfalfa and clover hay. Baled hay trucked in from South Dakota rounds out the total mixed ration.

The farm’s waste system holds 11 million gallons of liquid manure. The sand-ladened manure from each pen is scraped into a flush system where the sand settles out and the manure solids are mechanically separated. The manure is custom injected as fertilizer onto the cropland twice a year.

Helping promote an understanding of agriculture is very important to Gary, Cris and Ben. Cris has written several children’s books on agriculture and speaks frequently to school groups and civic organizations across the country about the importance of food production.

Visit [www.fourcubsfarm.com](http://www.fourcubsfarm.com) for more facts about the dairy.

# A Nearly Foolproof Way to Sell at a Profit

## AgStar Margin Manager

Although Bruce and Bethann Mahle tried to carefully calculate price points to ensure profitability of their 800-acre corn and soybean operation, they still wrestled with factoring in all the input costs. That uncertainty led them to occasionally make emotional marketing decisions. “Even with all that planning, we weren’t sure we were on target,” explained Bruce of Mahle Farms, “especially if something changed mid-year.” As a result, the farm was not as consistently profitable as it could have been.

Basing an operation on educated guesswork can be risky, especially in light of the highly volatile input costs and selling prices experienced over the last several years.

### **The end of guesswork.**

Fortunately, the Mahles found a better, more predictable way to run their farm using AgStar Margin Manager, a series of free computer-based tools that help producers make sound decisions. Farmers can analyze input costs against revenue streams, plus compare multiple scenarios to create crop marketing strategies.

For the Mahles, AgStar Margin Manager brings peace of mind. “With absolute certainty, we know at what price to sell and gain a reasonable profit, based on all our inputs, including our family’s living expenses,” said Bruce. “The number is posted on the kitchen refrigerator,” he laughed.

### **A new and powerful way of managing farm operations.**

AgStar Margin Manager is a philosophy for minimizing risks and remaining profitable, even during turbulent times. “It takes the financial uncertainty out of farming,” said Tom Neher, AgStar VP of AgriBusiness. The tool signals a paradigm shift away from a price-only trading approach to one that focuses on positive margins. Margin is farm revenue less expenses.

“Instead of trying to time the market,” said Tom, “you set the sales price you need to remain profitable.”

In the Mahles’ case, AgStar Margin Manager assures Bethann that she doesn’t need to work off the farm to maintain their standard of living and remain successful.

“Now we have a true grasp of our operating costs,” Bruce remarked, “right down to machinery depreciation per acre.” Bruce envisions the tool as being helpful in making future



Bethann and Bruce Mahle of Mahle Farms.

capital improvements, such as acquiring a new tractor, increasing storage capacity or adding farmland.

### **Free, easy-to-use software.**

AgStar Margin Manager contains a group of straightforward calculators to help gather information and put the pieces together for a comprehensive view of the business.

Farmers use the tool to retain a positive profit margin. Equipped with this information, it’s simple to decide when and how much grain to sell in the fall, plus lock in the margin and inputs a year in advance. Producers are better prepared to negotiate the purchase or lease of new farmland, to budget for tractors and other machinery purchases, to determine adequate crop insurance, and more. They’re able to prove consistent profitability to prospective lenders and business partners to make a compelling case for expansion. Built-in what-if scenarios allow farmers to explore changes in outcomes by adjusting various elements. Best of all, AgStar Margin Manager is appropriate for every type of operation, including crops, dairy, swine, livestock, meat, timber and combinations of those products. The tool is in its second iteration with a web-based version due by the end of 2010.

To get the most out of AgStar Margin Manager, farmers are encouraged to use the tool monthly. Your Financial Services Officer can help you with the details.

### Make consistent, profitable decisions.

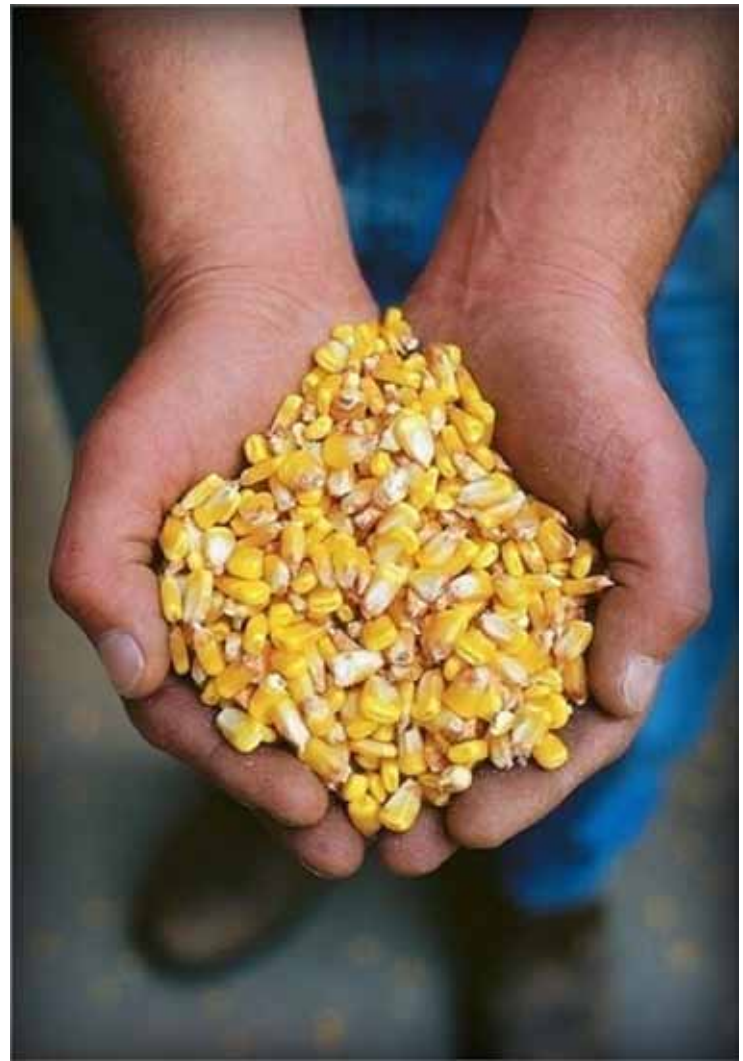
In addition to removing volatility from the farming equation, AgStar Margin Manager helps farmers make consistent, profitable decisions. "Smart financial management separates those who are successful from those who aren't," said Glenn Wachtler, AgStar Financial Services Officer.

"Margin Manager ties everything up into one understandable package," stated Bruce. By plugging in what-if scenarios, the Mahles can clearly see and comprehend the impact of changes in chemical and fertilizer costs, equipment additions, land rents or purchases, and loan terms by plugging in what-if scenarios.

Glenn helped the family set up their account. The Mahles update numbers monthly through the winter and spring and then tend to the farming operation April through November. "Margin Manager helps us get a realistic grasp on the finances. It makes running a profitable farm much easier," said Bruce.

### Check out AgStar Margin Manager.

Manage by the numbers, instead of by guessing or through intuition. Take a walk through AgStar Margin Manager at [AgStar.com/Grain/Pages/ToolsCalculators.aspx](http://AgStar.com/Grain/Pages/ToolsCalculators.aspx). Contact your AgStar Financial Services Officer for information about how the tool can help your specific operation.



2010		Projected Margin Statement	
Income		Expense	
Soybeans Sales - New Crop	\$ 176,000.00	Seed	\$ 68,000.00
Inventory		Fertilizer	\$ 67,500.00
Corn Sales - New Crop	\$ 264,750.00	Herbicide	\$ 13,500.00
Inventory		Farm Insurance	\$ 4,000.00
Other Sales - New Crop	\$0.00	Crop Insurance	\$ 31,500.00
Inventory		Fuel/Oil	\$ 21,000.00
Government Payments	\$ 19,500.00	Repairs	\$ 24,500.00
Custom Income		Crop Drying	\$ 8,000.00
Other Income		Machine Lease/Hire	\$ 14,000.00
<b>TOTAL</b>	<b>\$ 460,250.00</b>	Custom/Hired Labor	\$ 10,000.00
		Crop Marketing	\$ 1,000.00
		Misc Crop Expense	\$ 15,500.00
		Operating Interest	\$ 14,000.00
		Term Interest	\$ 8,000.00
		Machinery/Bldg Depreciation	\$ 28,500.00
		Utilities	\$ 4,500.00
		Other #1	\$ -
		Other #2	\$ -
		Other #3	\$ -
		<b>Total Non-Land Expense</b>	<b>\$ 333,500.00</b>

### AgStar Margin Manager software:

- Provides a detailed cost analysis per acre for fertilizer, fuel, irrigation, rented and/or owned land, interest rates, loan principles, chemicals, seed, machinery depreciation, crop insurance, cost-of-living expenses
- Allows for what-if scenarios to examine possible expansion plans
- Determines the target sales price required to remain financially successful
- Delivers both short- and long-term financial projections

[www.AgStar.com](http://www.AgStar.com)

# Heart of the Storm: AgStar Mobilizes to Help Those in Need

**Imagine** witnessing first-hand the aftermath of an F-4 tornado. Envision the devastation 177 mile-per-hour winds would leave in their wake. The impact from the June 17, 2010 storms in Southern Minnesota was huge. Hundreds in the area, including some 70 AgStar clients, suffered varying degrees of devastation. Homes were flattened, fields ravaged and farm buildings crumpled and blown for miles like yesterday's newspaper. But hope survives, and the AgStar team was there to help pick up the pieces, with over 100 volunteers and donations of water, food, dollars and supplies.

The Freeborn County Administrator estimated damage of homes alone at \$4.7 million. According to Mark Roach, Freeborn County Emergency Manager, the storm left cars in trees, appliances missing from homes, livestock trailers and grain bins smashed to smithereens and fifty houses waiting for complete demolition. "The debris field is like nothing I have ever seen," said Roach. "Farmers are finding fragments of houses, furniture, appliances and buildings from up to two miles away."

Just hours after the storm hit, the AgStar team mobilized, putting volunteers from the Blue Earth flagship on the ground throughout the weekend. The Blue Earth flagship closed on Monday, June 21, in order to assist those hardest hit. Throughout the week, more than 100 AgStar team members, from many AgStar locations, made their way to Freeborn County to help with the long and tedious clean-up process.

AgStar's corporate giving program, the AgStar Fund for Rural America, activated quickly by initiating a grant program (the Tornado Relief Fund) to provide immediate relief to farmers affected by the tornadoes. AgStar partnered with the



Southern Minnesota Initiative Foundation (SMIF), who administered the program and matched AgStar's \$35,000 contribution. These grants helped get farm producers back in operation and rural families back in homes damaged or destroyed by the record-breaking weather. In addition, AgStar and SMIF challenged other organizations and corporations to match their donations.

The results were impressive and made quite an impact. Within eight weeks, the Tornado Relief Fund awarded \$102,000 in \$1,000 grants to local farmers and rural businesses. Other major donors to the fund included AgriBank, Blandin Foundation, L & N Andreas Foundation, and Mayo Clinic. Thanks to the swift response from donors the \$1,000 grants were available for quick distribution.

In order to assist AgStar Home Mortgage clients impacted by the June storms, the AgStar Fund created a second grant

program. These grants helped home owners whose property was damaged or destroyed. Grants in the amount of \$500 were awarded to eligible clients who met the criteria.

"Overall, we identified at least 70 AgStar clients who were affected to varying degrees by the storms," said AgStar President and CEO Paul DeBriyn. "Some clients had moderate damage to their homes and farm buildings, while other clients' farms were completely destroyed. We're always eager to help our clients through any hardship."

## **Boots on the Ground**

Although AgStar team members who volunteered did so in order to help those in need, they returned from the experience feeling grateful and as though they had been given a very unique and special gift. For many, it was a life-changing event; one that will stay with them forever. Read further for some of their comments and impressions.



The area was like a war-zone. Houses looked like they'd had a stick of dynamite thrown in them. They were literally obliterated. Grain bins full of corn were crushed like pop cans. Huge pieces of wood were slammed 2-1/2 feet into the ground. Seeing it firsthand takes it from a "news story" to a "personal story."

This experience reminded me of my own grandparents and their farm. Hard work was not unfamiliar to them. They knew what it meant to be tired at the end of a day from working hard; to be sore and dirty. Adversity comes, especially in farming, but the attitude I saw in everyone was not "oh no... what do I do?" but an immediate response of "let's get to work and rebuild."

I was so incredibly impressed with AgStar in this situation and how they responded to help not just their "clients" but their friends. I would venture to guess that very, very few companies care for clients in a way that would compare to what I saw. It was quickly apparent that we weren't there because it was good "PR," but we were there because our clients/friends were affected by this devastation and needed help. That is true partnership. That is true relationship. It's not giving lip service to these things, it's a "boots on the ground" mentality, to be ready at the drop of a hat to jump in and work (and work hard at that). I can't say enough about how impressed I am with this team and with AgStar. I saw what I hope every client we have sees during their experience with AgStar and that was our true commitment and partnership with them that goes far beyond marketing materials and friendly conversation.

- Adam Bennett  
Project Manager

My first impression was, "Where do we even start?" We were there a week after the tornados came through and there was still so much clean-up to do. One farmer was so appreciative she was fighting back tears. It was hard work on a hot day but whenever I wanted to stop I would look around and see so much more to do. I wish I would have had more time to go back and help out again.

- Billi Jo Nelson  
Associate Leasing Officer

Sore knees, soaring heart! Thanks for encouraging me to attend. It was a wonderful opportunity.

- Lynn Wacker  
Home Mortgage Specialist

It was a truly rewarding day. It is amazing yet scary to see what a tornado can do. Talking with the families sends chills through your bones. I can't even begin to imagine what they went through. Even though I was hot, sweaty, dirty and exhausted, I was so grateful to have the opportunity help out. AgStar is an awesome place to work. What other business would organize volunteers the way AgStar did? We truly do care about our clients and our communities.

- Becky Schnoor  
Associate Home Mortgage Coordinator



# Save the Date!

## Women's Seminars

AgStar is proud to announce the dates for the 2011 women's seminars. The seminars will begin each day with registration at 9 a.m. and conclude by 3 p.m.

Join AgStar and the hundreds of women who attend these seminars each year. We'll laugh and learn together along the way. You'll be uplifted as you experience the insightful wisdom, researched information and genuine caring from Jolene Brown. Always a favorite and one speaker our women can't seem to get enough of, Jolene returns to our seminars to present "The Balancing Act."

Joining Jolene as a presenter will be speaker and author, Rita Emmett. As a "Recovering Procrastinator," Rita will offer sure-fire tips and techniques along with the hope that all procrastinators can convert! Also a "Recovered Pack Rat," Rita will help women understand that clutter is not about being messy, lazy or disorganized. During her presentation, Rita will offer tips and techniques on how to deal with "Procrastination and Clutter."

The dates and locations are in the orange box to the right. Please note, the March 12 date is a Saturday. Look for more details and information in the months to come.



March 10 – Holiday Inn, Fairmont, MN  
March 11 – Community Center, Fulda, MN  
March 12 – Best Western Hotel and Conference Center, North Mankato, MN  
March 14 – Best Western Kelly Inn, St Cloud, MN  
March 15 – Stout Ale House, Menomonie, WI  
March 16 – International Event Center, Rochester, MN

To inquire further about AgStar's women's seminars, please contact Cathy Riley at [Cathy.Riley@AgStar.com](mailto:Cathy.Riley@AgStar.com) or call 507-345-5651.

### This is what attendees had to say about our 2010 Women's Seminar:

– "My most enjoyable moment from the Women's Seminar would have to be the inspiration I received to be proud of what I do and to teach others about it."

– "All the positive energy was GREAT!"

– "I really appreciated having a day of uplifting humor, practical advice and hearing someone who truly appreciates agriculture."

### 2010 ACES Holiday Schedule

AgStar's ACES Contact Center will be open Friday, November 26, 2010 (the day after Thanksgiving) from 8:00 a.m. – 3:00 p.m.

On December 24, 2010, Christmas Eve, AgStar's ACES Contact Center will be open from 7:30 a.m. – 12:00 p.m.

# 2010 Scholarship Recipients

A primary goal of the AgStar Fund for Rural America is to help ensure a strong future for agriculture. With this goal in mind, we increased our scholarship program funding to \$20,000. In addition to awarding fifteen \$1,000 scholarships to graduating high school seniors continuing their education in an ag-related field, we also awarded five \$1,000 scholarships to graduates continuing their education in other fields. Recipients were selected based on academic achievement, leadership characteristics, whether they were from a rural community, and ag-related community involvement.

Branden Zuck, Ladysmith, WI  
Parents: James & Kathleen Zuck  
Iowa State University  
Animal Science/ Veterinary Medicine

David Berning, Saint Michael, MN  
Parents: Mark & Julie Berning  
South Dakota State University  
Agricultural & Biosystems Engineering

Melinda Sommer, Fairfax, MN  
Parents: Bryan & Joan Sommer  
University of Minnesota - Morris  
Environmental Science

Jonathon Schmitt, Rice, MN  
Parents: Mark & Natalie Schmitt  
University of Minnesota - Twin Cities  
Applied Plant Science

Jamie Hanson, Comfrey, MN  
Parents: James & Jeri Hanson  
University of Nebraska - Lincoln  
Animal Science

Daniel Klavetter, Eyota, MN  
Parents: Jim & Deb Klavetter  
University of Wisconsin - River Falls  
Agronomy Crop Science

Christine Zimmermann, Sauk Centre, MN  
Parents: Ken & Julie Zimmermann  
University of Minnesota - Morris  
Pre-Veterinary Medicine

Laura Rosenhammer, Sleepy Eye, MN  
Parents: John & Patty Rosenhammer  
University Wisconsin - River Falls  
Dairy Science

Clinton Bergene, Rose Creek, MN  
Parents: Brian & Teresa Bergene  
University of Minnesota - Twin Cities  
Agricultural Education

Jeffery Dockendorf, Watkins, MN  
Parents: Steven & Lori Dockendorf  
North Dakota State University  
Agricultural Engineering

Cory Engen, Lamberton, MN  
Parents: Brian & Connie Engen  
South Dakota State University  
Agronomy

Meredith Lee, Houston, MN  
Parents: Brian & Kris Lee  
University of Wisconsin - Madison  
Agriculture Journalism

Mark Serier, Baldwin, WI  
Parents: Barry & Heather Serier  
University of Wisconsin - River Falls  
Agriculture Engineering

Megan Viland, Pipestone, MN  
Parents: Steve & Marla Viland  
South Dakota State University  
Pre-Veterinarian

Joseph Grote, Kenyon, MN  
Parents: Frederick & Barbara Grote  
Wartburg College - Waverly, IA  
Agriculture Business

Chris Gaalswyk, Sherburn, MN  
Parents: Mark & Denise Gaalswyk  
Bethel University  
Business Finance

Michael Pechacek, Prescott, WI  
Parents: Ed & Cathy Pechacek  
University of Wisconsin - River Falls  
Agriculture/Engineering

Chelsey Johnson, Heron Lake, MN  
Parents: Dean & Elizabeth Johnson  
South Dakota State University  
Agriculture Journalism

Mitchell Kehren, Zumbrota, MN  
Parents: Philip & Annette Kehren  
University of Wisconsin - River Falls  
Agribusiness

Trevor Hanson, Grand Meadow, MN  
Parents: Brian & Diane Hanson  
Northeast Iowa Community College  
John Deere Ag Tech Program



**AGSTAR** ★ **FUND**  
**FOR RURAL AMERICA**

# AgStar Client Named Dairy Woman of the Year



Liz Doornick

When countries instituted “gold standards,” it was to instill trust in the value of their currency. While no financial markets on the globe adhere to a gold standard today, people like the 2010 World Dairy Expo Dairy Woman of the Year still inspire trust from those who know and work with them. Liz Doornick of Jon-De Farms, Baldwin, Wisconsin, sets the standard for intelligence

and commitment to the dairy industry. And she exhibits leadership you can take to the bank.

Doornick holds a Bachelor of Science degree from the University of Wisconsin - River Falls and has raised three daughters on their 2,400 acre farm. The family milks 1,550 cows and employs 52 staff members at their three-times-a-day milking operation. She is actively involved as personnel manager and oversees all financial

records. In addition, she designed and implemented an Environmental Management System for the operation gaining the Environmental Excellence Award from the State of Wisconsin.

One of the “golden opportunities” Doornick has championed is the new, grass-roots organization AFACT or American Farmers for the Advancement and Conservation of Technology, which she co-chairs. She travels and speaks on the issue of modern agriculture and advocates for producers’ freedom to choose production technologies and practices.

In addition to countless hours leading school tours and supporting dairy industry groups, Doornick also has her own personnel management consulting business, Legacy of Excellence Consulting, LLC, in which she advises and educates producers and ag businesses on employee management, communication and environmental systems.

The 2010 World Dairy Expo Dairy Woman of the Year award is sponsored by: Dairy Business Association, Vita Plus Corporation, Select Sires, Inc., and Micro Dairy Logic.

## Tim McNamara

Tim McNamara, VP Agribusiness Capital, was recently selected to receive the Honorary American FFA Degree. This prestigious award, the highest honorary degree, is given to those who advance agricultural education and FFA through outstanding personal commitment.



Tim McNamara

Tim grew up on a 50 - cow, 400 - acre dairy farm near Goodhue, Minnesota. Being part of FFA was just a way of life for McNamara, who was active in the organization throughout high school and college. “The FFA organization enhances agricultural learning, providing the skills and information for success,” stated McNamara. “For me, FFA was fantastic experience. It taught me so many life lessons. In addition to the obvious ag-related knowledge and experience I gained, I learned how to get along with people, negotiate and compromise – all very applicable tools in any walk of life.” McNamara is a lifetime alumni

member and served on the FFA Foundation of MN Board of Trustees from 2003-2009. Moreover, he always saves time to judge fellow FFA students at various state contests and speaks at FFA Chapter banquets.

“This honorary degree is a tremendous honor and I am very humbled by this recognition,” mentioned McNamara. “Only six people from Goodhue, Minn. have received this degree – and it’s an honor to be in the same category as these fine individuals who are dedicated to agriculture and life-long learning.”

The National FFA Organization works to enhance the lives of youth through agricultural education. Without the efforts of highly dedicated individuals, thousands of young people would not be able to achieve success that, in turn, contributes directly to the overall well being of the nation. The Honorary American FFA Degree is an opportunity to recognize those who have gone beyond the valuable daily contributions to make an extraordinary long-term difference in the lives of students, inspiring confidence in a new generation of agriculturists.

McNamara received his Bachelor’s degree from St. John’s University - Collegeville. McNamara’s ag lending experience dates back to 1980, and he has been with AgStar since 1999, specializing in commercial dairy lending.

# A View From the Field



Paul DeBriyn, President/CEO

It's during the late summer that I have the opportunity to meet with both team members and clients from across the local service area. Over an eventful few weeks, I made nine stops, where I visited with nearly 100 clients and 600 team members. I spent another two days with producers at Farmfest and the Wisconsin

Farm Technology Days. During this time, my primary intent is to listen – to the successes, concerns, and ideas of our valued team members, clients and stockholders. Let's just say, when finished with my travels, I could very accurately report on the crops throughout Minnesota and northern Wisconsin.

The information obtained from these discussions is incredibly valuable to the organization. We use the feedback to identify trends, find areas of improvement, and get a general understanding of what's on the minds of our 24,000 clients. Regardless of industry, age, gender, or location, several key themes emerged from these discussions.

First, margin and risk management continue to be top of mind for producers. Commodity markets seem to be even more challenging to predict and manage, as the impact of the global economy becomes evident. We understand producers face multiple, simultaneous, sources of risk including market prices, weather, insects, disease, regulations and more. Certainly, these risks can't always be avoided, but managing risk in any business is crucial for its longevity. Over the years, producers have innovated and progressed to adapt to the ever-changing agriculture marketplace; we're confident today's agriculture leaders – like you – will learn, adjust and advance to the global markets. Where possible, we will continue to provide information, insight and expertise to assist our clients with this challenge.

Second, our client base continues to become more diverse. During my several discussions, it quickly became evident that producers obtain information from a variety of methods. Though some clients rely solely on mail, agriculture publications and magazines to gain knowledge, other clients are looking to websites, social media sites like Facebook and Twitter, and mobile phone technologies to gather information. We anticipate the use of these new communication technologies will continue to grow in the years ahead. As you'll see elsewhere in this newsletter, we recently launched a Facebook fanpage for AgStar Home. In the coming months, you'll hear more about the launch of an AgStar Facebook fanpage, the addition of videos to AgStar.com, and other social media projects. As always, we're anxious to adapt our communication and delivery methods to your convenience.

Last, and most importantly, my visits confirmed that our emphasis on client relationships continues to be in the best interest of AgStar and our stockholders. In the past several years, we've been vocal about our commitment to the agriculture industry and our pledge that we'll stand by producers through the ups and downs of the economy. In addition to economic challenges, criticism from the media, the public's increasing interest in food sources and accusations from groups like PETA and HSUS have made the agriculture industry a larger target. We've heard loud and clear from our clients that agriculture advocacy is important to them, just as it's essential to our business. We're proud to stand by our clients to help tell the positive stories of our industry.

We greatly appreciate your insight and feedback to help make AgStar a world-class organization and your operations more successful. Your own businesses and AgStar, your cooperative, will no doubt continue to evolve with the times. Through the highs and lows of agriculture, rest assured, we're committed to the industry, wherever it goes.

Thanks for your continued loyalty to AgStar.

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