

Legacy Letter

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December 2016



Keep Farmers Farming

A DIVISION OF FIRST DAKOTA NATIONAL BANK



Best Business Practices- Strategic Planning



Best business practices are vital to every business. First Dakota and Keep Farmers Farming see the value and efficiency these practices bring to agricultural operations. Each newsletter we will share an overview of one of the eight best business practices.

The term “Strategic Planning” seems pretty corporate so let’s break it down. Strategic planning is simply analyzing the operation through a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis, setting goals, and preparing a plan on how to achieve those goals. This is something every operation should and CAN do. Getting family together for a meeting can be challenging so we encourage you to leverage a third party in completing a SWOT analysis so everyone involved in the operation can participate with full attention.

The Keep Farmers Farming team is trained to facilitate strategic planning and we can help walk you through the process. We administer a pre-meeting survey to generate some of the material used during the planning session, coordinate a date and time so everyone can partici-

pate, and facilitate the meeting. Get 2017 started out “strategically” the right way and contact us today to help you in the planning process for your operation’s future.

NEW: Internship Placement Service

Our industry is only as strong as we make the next generation. Today more than ever, colleges and technical institutes realize the value supervised off campus employment experiences, or internships, have at preparing their students. Many post secondary institutions have built internship credits into their curriculum to recognize student’s work experience. Internships are a great way to introduce the next generation to production agriculture. The platform utilizes “real world” education to prepare our youth to be successful and thrive in today’s Ag. Those looking to serve in the Ag industry have the opportunity to experience first hand in the field of their career interests.

Keep Farmers Farming is launching an internship placement service to serve Ag operations looking for seasonal help while fulfilling students’ internship credit requirements. Our team is here to help develop a

(article continued on next page)

complete curriculum that addresses the labor needs of the operation and meet the educational needs of the student. We also assist in organizing the placement process. Now is the time to start visiting about this opportunity as spring is just around the corner.

Ag operations interested in hosting an intern in 2017 or students looking for internship opportunities should contact Legacy Consultant Danci Baker for more information and to start an operation or profile form.



Marketing & Risk Management: “A Critical Success Factor” by Alan Hojer - Legacy Consultant

Our Keep Farmers Farming program has started a new training aimed at developing and building skills in marketing and risk management. During the first session I like to know up front what some of the fears are of those in the room as it pertains to why we hold back from utilizing all the tools available to transfer price risk. A common answer is “Margin Calls!” I appreciate the answer because no one likes a margin call. However, a margin call is tolerable if you understand it is used to preserve and protect margins for your operation. The greater fear everyone should recognize is not utilizing all the tools available to transfer risk or “Margin Loss”. I would rather have a “Margin Call” than “Margin Loss”! Understanding how all this works is critical to the deployment of your decisions.

The key to effective price risk management is building an information system around yourself that keeps you informed and allows you to have an opinion about the markets that are critical to your farming or ranching operation. Part of your system is to know your “Cost of Production”. In this global market it is also important to have an understanding of what is happening both locally and abroad. Developing your information system will give you confidence in making decisions that take advantage of the techniques available to transfer risk. Just as the title of this article says, Marketing/Risk Management is “A Critical Success Factor”. I will challenge you to let us help you get control of your business back from the extreme volatility that we have been experiencing. Contact a Keep Farmers Farming Consultant for a group workshop near you.

A banner for 'AGRIVISIONS 2017' featuring a portrait of Dr. Matt Roberts. The text reads: 'AGRIVISIONS® 2017', 'WHAT COMES NEXT NOW?' (with 'NEXT' crossed out by a red line), 'Surviving and Thriving after the Ag Commodity Boom.', and 'FEATURING DR. MATT ROBERTS'.

Wednesday, JANUARY 25, 2017
W.H Lyon Fair Grounds
Sioux Falls, SD
Wednesday, JANUARY 25, 2017
Mitchell Technical Institute
Technology Center
Mitchell, SD
Thursday, JANUARY 26, 2017
Best Western Kelly Inn
Yankton, SD
Thursday, JANUARY 26, 2017
Ramkota Convention Center
Pierre, SD

For more details and registration please visit FirstDakotaAg.com



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