

Fundamentals of Ag Banking

2019 National School for Beginning Ag Bankers

June 24-27, 2019

Black Hills State University
Spearfish, South Dakota



Educate. Advocate. Grow.



The 2019 National School for Beginning Ag Bankers is an intensive school designed to train in all facets of agricultural lending with emphasis on credit analysis, credit scoring, risk rating, problem loans & group case study.

This school will be limited to 72 students. Visit www.sdba.com.

2019 National School for Beginning Ag Bankers



Overview

Fundamentals of Ag Banking: National School for Beginning Ag Bankers is an intensive school designed to train in all facets of agricultural lending with emphasis on credit analysis, credit scoring, risk rating, problem loans and group case study. The school, sponsored by the South Dakota Bankers Association, will be held on the campus of Black Hills State University in Spearfish, S.D., on June 24-27, 2019.

Attendees will receive personalized instruction and continual peer interaction fostered through a limited class size, case study and group exercises. A packet of information will be sent to each student. Included will be a pre-session assignment that needs to be completed and returned prior to the school. Be watching for it.

Housing

Students will stay in new student housing in private rooms, with two units connected by a shared bathroom. Rooms are air conditioned with gorgeous views of the Black Hills. Campus housing is strongly encouraged, however, it is not required.

For those wanting to stay off campus, a block of rooms is available at the Fairfield Inn & Suites. The room rate is \$125 a night plus tax. The block will be released June 7, 2019. Call 605.642.3500 to make a reservation.

Registration Fee

Includes tuition, housing, meals and student handouts.

- **State Bankers Association Members:** \$1,695 per person
- **Non-Members:** \$1,795 per person
- Deduct \$75 per person if staying off-campus.
- Add \$250 per person if registering after May 27, 2019.

- \$100 per person will be charged if canceled after May 27, 2019
- No refund if canceled after June 10, 2019. Substitutions are allowed at any time.

Curriculum

View of the Ag Economy From 30,000 Feet:

This session will examine the drivers of change that will impact your customer base. These include technology, the global market, weather, government payments, farm structure, the general economy and other factors that will set the stage for credit and marketing programs in the 21st Century. Discussion will focus on keys to securing loans and being a successful agricultural lender in today's volatile and challenging times.

Earnings Analysis, Stop Light Analysis and Cash Flow Analysis and Projections:

Attendees will learn the key financial tools and variables needed in credit analysis of agricultural loans. Students will apply financial statements analysis, ratio analysis, cash flow and financial benchmarking to real-world cases. Discussion will center around financial and non-financial information and how it can impact the success of a loan, along with how to communicate the analysis to customers, loan committees and regulators.

Loan Servicing and Risk Management:

Loan servicing is always important but never more so than in an economic down cycle. This session will focus on the fundamentals of loan servicing. How do you perform adequate levels of due diligence through inspections, borrowing base reports, and covenant monitoring while at the same time building loyalty in your customer relationships? What are red flags? Avoid the pitfalls of lender liability. Engaged students will build effective and efficient loan servicing habits during this session.

Management Assessment and Customer Profiling:

Now more than ever, assessing the management ability of your borrowers is vital. Can they manage the size and scale of their farm or ranch? Do they have the integrity and systems to keep you informed with accurate, timely and reliable information? What is their skill level in financial management? Students will become familiar with various approaches to measuring risk with their borrowers. We will conduct a thorough review of the five C's of credit. But are there more? This risk assessment training will focus on financial and non-financial risk indicators and considerations on how to price for risk. We will close this session with discussions from ag counselors sharing real life case studies of the problems they incur as they work with farmers and ranchers.

Class Schedule

Why You Should Attend

The purpose of the National School for Beginning Ag Bankers is to prepare ag bankers to make better loan decisions. Ag bankers with zero to three years of experience should attend this school.

The curriculum includes more than 25 hours of hands-on instruction with problem-solving approaches to real life situations. Active involvement in a bank simulation will help ag bankers better understand how decisions they make will impact all departments within the entire operation of their banks.

"In college you get a lot of book learning, and you learn the basics of communication. This school takes ag banking to a specialized level—here's what the job is really about. As the agricultural landscape changes, it is critical that ag bankers get more specialized training so they can be a more useful resource to farmers, and this school will provide that training."

— **Denny Everson**
School Curriculum Co-Founder

Monday June 24, 2019	Tuesday June 25, 2019	Wednesday June 26, 2019	Thursday June 27, 2019
11:00 am - 12:30 pm Registration in the Legacy Room at the Student Union <i>(campus map will be sent to all registrants in June)</i> Lunch on Your Own	7:00 - 8:00 am Breakfast	7:00 - 8:00 am Breakfast	7:00 - 8:00 am Breakfast
	8:00 - 9:30 am View of the Ag Economy from 30,000 Feet <i>Roberts</i>	8:00 - 9:00 am Lending in Today's Challenging and Volatile Times <i>Franzen, Miller, Nordquist</i>	8:00 - 9:00 am Bank Sim <i>Everson, Craven</i>
1:00 - 1:15 pm Official Welcome and Orientation <ul style="list-style-type: none"> • Denny Everson, Curriculum Coordinator • SDBA School Administrator 	9:45 am - 12:00 pm Balance Sheet and Working Capital Analysis <i>Franzen, Miller, Nordquist</i>	9:15 - 10:00 am Stop Light Analysis <i>Franzen, Miller, Nordquist</i>	9:15 - 11:45 am Management Assessment and Customer Profiling <i>Franzen, Miller, Nordquist</i>
1:15 - 2:00 pm What Concerns Me Most About Being an Ag Lender <i>Everson, Craven, Franzen</i>		10:00 - 11:00 am Cash Flow Analysis and Projections <i>Franzen, Miller, Nordquist</i>	
		11:00 am - 1:00 pm Producer Panel <i>Moderator: Everson</i>	
	12:00 - 1:00 pm Lunch	12:00 - 1:00 pm Informal Lunch with Producers	11:45 am - 1:00 pm Lunch
	1:00 - 3:00 pm Bank Sim <i>Everson, Craven</i>	1:00 - 2:00 pm Bank Sim <i>Everson, Craven</i>	1:00 - 1:45 pm 10 Things Young Bankers Need to Know <i>Everson, Craven, Franzen, Miller, Nordquist</i>
2:15 - 5:30 pm Intro to Bank Sim <i>Everson, Craven</i>	3:15 - 5:00 pm Earnings Analysis <i>Franzen, Miller, Nordquist</i>	2:15 - 4:45 pm Loan Servicing and Risk Management <i>Franzen, Miller</i>	2:00 - 3:30 pm Bank Sim Wrap Up and Final Evaluation <i>Everson, Craven</i>
5:30 - 6:30 pm Reception <i>Joy Center</i>	5:30 - 6:30 pm Reception <i>Joy Center</i>		Safe Travels Home
Dinner on Your Own	Dinner on Your Own	Dinner on Your Own	

School Faculty

DENNY EVERSON is co-developer of the SDBA's beginning and experienced ag bankers schools. Everson is a director for Farmer Mac and served as chairman of the ABA's Ag and Rural Bankers Committee. He received SDSU's Distinguished Alumnus Award in 1999 and was recognized as SD Cattlemen's Agri-Businessman of the Year in 1998 and 1993 and South Dakota Pork Producers Dedicated and Distinguished Service Award in 1998. He received the coveted ABA Center for Agricultural and Rural Banking's Bruning Award in 2008 and was inducted into the South Dakota Hall of Fame in September 2015 for his contributions to agriculture. Everson is retired from First Dakota National Bank, Yankton, S.D., where he served as president of the agri-business division and director of branch administration. He currently serves on First Dakota National Bank's Board of Directors.

ROBERT H CRAVEN is an extension economist and director of the Center for Farm Financial Management, Department of Applied Economics, University of Minnesota. Areas of specialty include business management, credit analysis and grain marketing. His work for the Center has focused on development of FINPACK, a nationally-recognized ag credit analysis software. He is also on the development team for the "Winning the Game" grain marketing education programs. He has spoken at numerous conferences including the National ABA Ag Bankers Conference and the USDA Ag Outlook Forum. He has also taught more than 300 workshops on farm management and marketing.

DR. MATT ROBERTS is the founder of Kernmantle Group, a risk management consultancy in Columbus, Ohio. Previously, he was an ag economist at Ohio State University for 15 years. Dr. Roberts is a nationally-renowned expert and speaker on the grain and energy markets. He has been quoted in the Wall Street Journal, Chicago Tribune, Associated Press and Forbes and has been interviewed on CNBC. He received his bachelor's from William Jewell College in Liberty, Mo., and a Ph.D. from North Carolina State University. Prior to graduate school, he worked as a commodity and energy broker in Vienna, Austria, and as a market research consultant to the pharmaceutical industry in North Carolina.

DALE NORDQUIST is an extension economist at the Center for Farm Financial Management in the Department of Applied Economics at the University of Minnesota. His interests include farm business analysis, farm planning and software development. Nordquist has more than 25 years of experience in teaching farm management and developing software tools for farm financial planning and analysis. He has been a major contributor to the design and development of the FINPACK farm financial planning and analysis software.

SAM MILLER is managing director, group head of agriculture banking for BMO Harris Bank, where he coordinates and leads production agriculture and agribusiness related banking activities. BMO Harris is the largest agricultural bank in Wisconsin and the eighth largest in the United States. Miller has more than 30 years of agricultural banking experience, the past 26 at BMO Harris Bank. Miller is a Bruning Award recipient, an award for excellence in ag banking presented by the American Bankers Association. He is a past chair of the ABA's Ag and Rural Affairs Committee and a school director for the Wisconsin Bankers Association's Advanced Ag Banking School.

NATE FRANZEN is president of the agri-business division at First Dakota National Bank in Yankton, S.D., where he and his team service more than \$1 billion in agricultural loans for the \$1.7 billion bank. He grew up on a diversified family dairy, grain and beef cattle farming operation in northeast South Dakota and draws from 25 years of ag banking experience. In 2011, Franzen was appointed to the American Bankers Association's Agriculture and Rural Bankers Committee and served as chairman in 2015. In 2013, he spoke at the World Bank's International Financing Agriculture Forum in Colombo, Sri Lanka. Franzen is a graduate of Class I of the South Dakota Agriculture and Rural Leadership (SDARL) Program, where he is a past president of its Alumni Association, joined its Board of Directors in 2013, and is currently chairman of the Board. Franzen is also currently chairman of the board for the SD Agricultural Foundation and serves on the SDSU School of Agriculture and Biological Sciences Advisory Board.



2019 National School for Beginning Ag Bankers Application

Black Hills State University | Spearfish, S.D. | June 24-27, 2019

PLEASE PRINT

Full Name (as you wish it to appear on the certificate): _____

First Name (as you wish it to appear on your badge): _____

Bank Name: _____

Bank Address: _____

City/State/Zip: _____

Phone Number: _____ Fax Number: _____

Email Address: _____ Cell Phone: _____

Age Range: 20-29 30-39 40-49 50+

Registration Fees

- Any state bankers association members: \$1,695 per person
- Non-members: \$1,795 per person
- Deduct \$75 per person if staying off-campus.
- Add \$250 per person if registering after May 27, 2019.

- \$100 per person will be charged if canceled after May 27, 2019.
- No refund if canceled after June 10, 2019. Substitutions are allowed at any time.
- Registration fee includes tuition, on-campus housing, meals and student handouts.

All Sections of this Registration Form Must Be Completed

Type of Entity

(check only one)

- Independent Bank
- Independent Branch
- Holding Company Bank
- Holding Company Branch
- Holding Company
- Other

Total Assets of Bank

(check only one)

- Under \$5 mm
- \$5-10 mm
- \$11-20 mm
- \$21-50 mm
- \$51-100 mm
- \$101-200 mm
- More than \$200 mm
- Other

Total Banking Experience

(check only one)

- Less than 1 Year
- 1-2 years
- 3-5 years
- 6-8 years
- 9-11 years
- 12-16 years
- 17 years or more

Ag Lending Experience

(check only one)

- Less than 1 Year
- 1-2 years
- 3-5 years
- 6-8 years
- 9-11 years
- 12-16 years
- 17 years or more

Rank order (1-5) of your major areas of bank experience: (1 indicates most experience, 2, 3, etc.)

- | | |
|-------------------------|----------------------|
| ___ Compliance | ___ Customer Service |
| ___ Operations | ___ Public Relations |
| ___ Lending | ___ Personnel |
| ___ Audit | ___ Investments |
| ___ Loan Administration | ___ Credit Analysis |

Education

- High School
- Some College
- Associate's Degree
- Bachelor's Degree
- Master's Degree
- Ph.D.
- Law Degree

Housing

- No Housing (see reg. fee)
- On Campus—Male
- On Campus—Female

No smoking is allowed in campus facilities.

List Bank Education Training: _____

This school will be limited to 72 students. Register early as the school fills quickly.



Send your registration form and payment to:

South Dakota Bankers Association

PO Box 1081, Pierre, SD 57501

Phone: 800.726.7322 | Fax: 605.224.7835 | www.sdba.com