



News and views from your agribusiness partners at First Dakota

August 2025

## Five Percent Better

We are in very dynamic times in agriculture. Livestock segments are performing well, especially beef. On the crop side, margins have tightened significantly. Farms and ranches are being rewarded for diversity. The chart below gives you a visual of the cycles of agriculture over the last 22 years.

Let's discuss what this chart is telling us. The dark blue line measures the percentage of our Ag customers experiencing earned net worth (ENW) gains. ENW gain is a method for arriving at an accrual-adjusted net farm income. In my opinion, it is the best measure of farm and ranch profitability. As you can see, 65% of our clients made money this past year, meaning 35% did not. The highest number of customers who lost money in the 22 years represented was 48% in 2016. Are we headed there again? The red line is a measurement of working capital (WC). WC is your liquidity level. In down cycles, liquidity becomes very important. Remember, "Cash is always King," especially in challenging years!

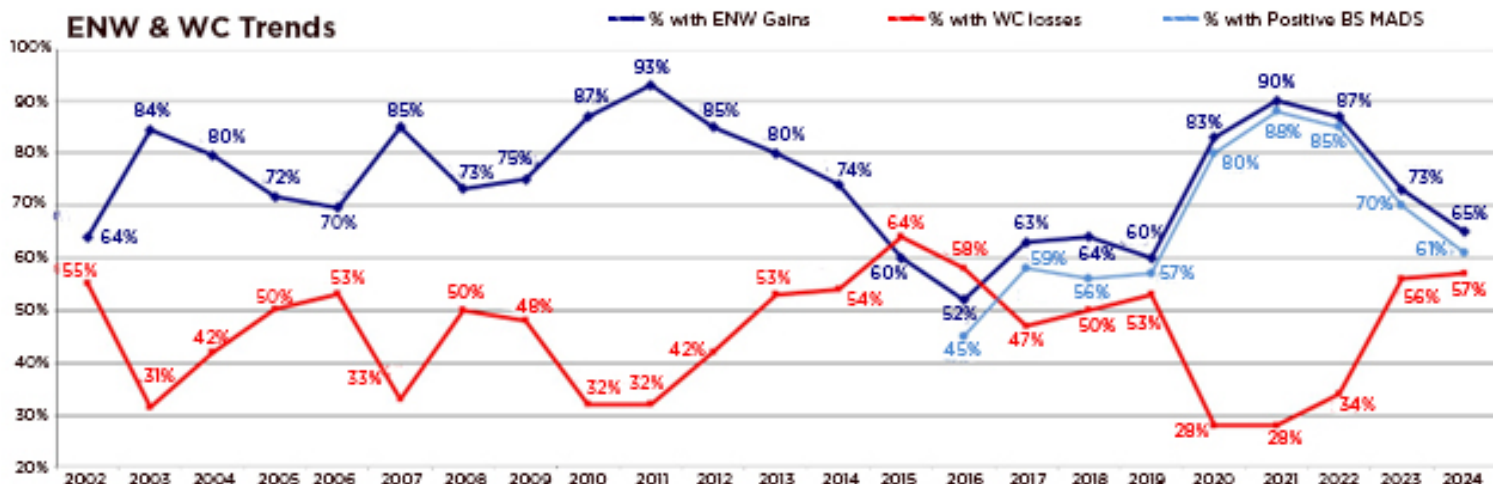
BY NATE FRANZEN,  
AGRIBUSINESS DIVISION PRESIDENT



Another sign of shrinking margins is the 57% of our clients who had less working capital this year compared to a year ago. The light blue line was added in 2016, and it measures the percentage of customers who can make all their debt payments. The 2024 numbers show 61% of our customers could do so, down from 70% a year ago.

**Some keys to weathering down cycles in agriculture:**  
**Step up your Accounting Practices and Financial Management:** Have a monthly budget and track actual income and expenses monthly. This allows you to make needed adjustments and improvements much quicker.

**Strong risk management and marketing plans:**  
Capturing revenue and enhancing margins are always important. The biggest challenge in down cycles can be minimizing margin loss.



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**Strong production practices:** Don't get caught in the trap of making expense cuts that reduce production levels. This mistake is a compounding error. You do not want a loss in volume at the same time you're experiencing a loss in market price.

**Communication practices:** Make sure you are increasing communication with partners and employees. The more heads working on a challenge, the better. If you're struggling, reach out to a trusted partner or advisor for help.

**Get a little better in multiple areas:** It's hard to hit home runs in agriculture. The most successful operations try to get 5% better in multiple areas. If you do so, you will be amazed by how that adds up in the end. It often is the difference between profitability or not, especially in low-margin environments.

**Don't go it alone:** Challenging times require all hands on deck. Lean on all your key partners and advisors, both internally and externally. This help can come from many directions. Exhaust them all.

Your First Dakota Ag team stands ready to assist you through all the ups and downs of our industry. We take pride in rolling up our sleeves to work with you to find the areas where improvements can be made. Reach out to your First Dakota Ag Banker today. Be sure to stop by and say hello at Dakotafest.

## Strong Financial Record-Keeping!



BY JASON BRUNSON  
AG BANKING OFFICER

For many agricultural producers, your days are busy focusing on all the moving parts of your operation – feeding livestock, planting, spraying, or harvesting depending on the season, the weather, and so much more. One area that can often get overlooked is the financial records. Financial records are more than knowing your checking account or operating loan balance or getting your accountant the requested information for tax returns. Maintaining accurate and up-to-date records gives you more decision-making power and can directly improve your relationship with your financial institution.

- **Improves creditworthiness** – Providing detailed records of income, expenses, input costs, livestock sales, break-even points, real estate and equipment investments, and overall cash flow shows you have a solid understanding of your operation and can quickly demonstrate the financial stability of your operation.
- **Speeds up loan requests and approvals** – Agricultural operations can sometimes need timely/quick access to funds, such as unexpected repair bills, neighbor selling real estate, input costs, etc. Having well-organized, accurate, and up-to-date records can reduce delays and help your financial institution make faster, more informed decisions on these short- or long-term financing applications to secure funds when they matter most to your operation.
- **Builds trust and confidence with First Dakota** – Accurate and transparent financial record-keeping shows you're a responsible operator who is proud of your operation. Transparency with your financials shows First Dakota that you value the banking relationship as a team, which is exactly how First Dakota values you and your operation. As a team with confidence, supporting each other through various agricultural cycles, including down years or weather setbacks, is easier.
- **Assists with meeting compliance requirements** – Complete and accurate financial records assist your financial institution with meeting regulatory requirements that demand thorough documentation. It also helps your operation participate in programs through USDA or FSA, which can positively impact your operation.
- **Makes planning and growth easier** – Strong financial records tell your story. The records help with day-to-day decisions, but they provide the road map to your operations' long-term success, whether transitioning to younger generations, expanding real estate, or retiring where you don't have to worry about the weather.

Many factors can lead to success or failure in agriculture. Strong financial record keeping gives you the tools and information to control what you can control, setting your operation up for the long-term success you work hard every day to achieve.

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## Congratulations, Bill Even!



Bill Even has served on the First Dakota National Bank Ag Advisory Board since 2011 and joined First Dakota National Bank Board of Directors in 2024. In April 2025, Governor Larry Rhoden appointed Bill Even as the next Commissioner of the Governor's Office of Economic Development (GOED). He assumed this position on May 2, 2025. Most recently Bill served as the Chief Executive Officer for the National Pork Board based in Des Moines, IA, where he was responsible for leading Pork Checkoff-funded research, promotion, and education projects on behalf of the nation's 60,000 pork producers. He has also served as South Dakota Secretary of Agriculture from 2007 to 2010 where he managed six department divisions: Agriculture Regulatory Services,

Agriculture Development, State Fair, Wildland Fire, Resource Conservation and Forestry, and Agricultural Policy. Bill also served as Deputy Secretary of Tourism and State Development, Director of the Governor's Office of Economic Development, State Energy Policy Director, and Policy Advisor and Executive branch lobbyist for SD Governor Mike Rounds.

Bill holds an A.S. in Agricultural Production from Lake Area Technical Institute, a B.S. in Agricultural Business from South Dakota State University; and a Juris Doctorate from Drake University Law School.

While in law school, Bill served as Executive Editor of the Drake Journal of Agricultural Law, clerked for the law firm of Hefner and Bergkamp, P.C., and interned with the Soil and Water Conservation Society and the U.S. Senate Agriculture Committee in Washington, D.C.

"I want to thank Governor Rhoden for the opportunity to serve as Commissioner of the Governor's Office of Economic Development," said Bill Even. "My great-grandfather homesteaded our family farm at Humboldt in Dakota Territory in 1884. He and his young wife came here seeking new opportunities, room to grow and to raise a family. I believe that pioneering spirit still exists in America and in South Dakota. I look forward to working with people who share that optimistic mindset and vision of making a life and a living in our great state." Bill and his wife, Janell, have three children and live in Tea, SD.

## Welcome to First Dakota!



**Jordan Kline** joined our Ag team in July 2025 as a Loan Production Officer in Aberdeen. He has over 10 years of Ag Banking experience, working at Rabo Ag and Dacotah Bank in Aberdeen. Jordan brings a broad scope of serving Ag operations in South Dakota, North Dakota, and Iowa. We are excited for him to build on our Dakota MAC presence in the Aberdeen market.

Jordan is originally from Aberdeen and graduated from Presentation College, where he played baseball, and majored in business finance and management. Jordan believes in being active in his community. He is the current Aberdeen Roncalli Booster Club treasurer and an active St. Mary's Catholic Parish member. He is also a volunteer for Junior Achievement. He and his wife, Chelsey, have two daughters.

## First Dakota Football at the Fair

**Saturday, August 30th, Tap Haus, SD State Fairgrounds**

Join us for the **University of South Dakota Coyotes** versus Iowa State University Cyclones from 2:30 - 5:30 pm. Then, at 6:00 pm the **South Dakota State University Jackrabbits** will take the field against Sacramento State University Hornets. **GO COYOTES AND JACKS!**







225 Cedar Street  
PO Box 156  
Yankton, SD 57078

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### South Dakota Offices

Beresford	605-763-2135
Chamberlain	605-734-5555
Elk Point	605-356-0289
Kimball	605-778-6218
Mitchell (North)	605-996-3364
Mitchell (Norway)	605-996-3364
Parkston	605-928-3077
Pierre	605-224-5817
Salem	605-425-3111
Sioux Falls (Downtown)	605-333-8200
Sioux Falls (East)	605-333-8282
Sioux Falls (Louise)	605-333-8295
Sioux Falls (South)	605-333-8210
Vermillion	605-624-5555
Wagner	605-384-5456
Yankton (Downtown)	605-665-7432
Yankton (North)	605-665-4999

### Loan Production Offices

Aberdeen, SD	605-216-1555
Columbus, NE	402-563-2326
Fargo, ND	701-991-1636
Halbur, IA	515-314-7066
Hastings, NE	402-463-4637
Ogallala, NE	308-284-3260
Watertown, SD	605-753-5880



August 19 - 21

2300 Spruce Street  
Mitchell  
Booth 223 - 2nd and Main



### Join us at Dakotafest

Stop by our booth anytime on August 19 - 21 for good conversation, popcorn, and peanuts. We would enjoy chatting with you and hearing your thoughts on the latest industry trends.

### Grain Bin Safety Demonstration!

We are teaming up with Blindert Insurance from Salem to bring the NECAS-Mobile Grain Entrapment Simulator to Dakotafest on **Wednesday, August 20**. The demonstration will be at booth 114 on First Street to the west of Main Street. Look for the First Dakota flags. This is something you don't want to miss!

