



News and views from your agribusiness partners at First Dakota

June 2023

It Takes a Village

On May 24th, tragedy struck a member of the First Dakota family. Trevor Hupp, Ag Banker in our Pierre location, and his family had the unthinkable happen. A propane leak at their rural home near Fort Pierre resulted in a devastating explosion. The house blew off its foundation and was completely destroyed. Trevor and his wife Kelsey were both at work while Trevor's parents, Bill and LaDonna, and their children, Myles (5), Royce (3), and infant daughter, Harper, were all at the home acreage. Bill, LaDonna, and Harper did not survive the blast. The two sons, Myles and Royce, were airlifted to a burn hospital in St. Paul, MN, where they and their parents have been ever since. Myles has been discharged from the hospital, and Royce's outlook is promising with expected discharge in the near future. Words cannot express the sympathy and sorrow I have felt for Trevor, Kelsey, and their family.

I have always believed that opportunity or a silver lining comes with every challenge. This situation has continued to solidify these thoughts. The day after the accident, Marc Mooney and I traveled to



BY NATE FRANZEN,
AGRIBUSINESS DIVISION PRESIDENT



Pierre to represent our Executive Management team. We spent time with our Pierre team members and then traveled to the accident site. The response of volunteers that day was incredible. When we arrived, we saw an estimated 100 or more volunteers helping clean up the debris from the explosion. Volunteers from First Dakota, Avera (Kelsey's employer), the Hupp extended family, and the Ft. Pierre community at large were all present and pitching in. Investigators were on site, assuring the volunteers did not disturb anything that would impact the ongoing investigation into the exact cause of the accident. In addition to volunteers cleaning up that day, a Go Fund Me page, and a benefit account at First Dakota were established for the family. The financial support given by individuals from across the region has been tremendous. Maier Meats of Ft. Pierre was established as a drop site for food, clothing, and other material contributions for the family. To see Trevor and Kelsey's "village" jump into action has been overwhelming and inspiring. It is so special to live where we do! A place where neighbors are considered family, and we all pitch in to help when someone is down. This doesn't happen everywhere.

No doubt, the difficult journey forward for the Hupp family has only just begun. However, knowing they have a tremendous support system from their "village" to help them move forward gives me great peace. I continue to be so proud of Trevor and his family. The strength and perseverance they have shown to date is remarkable. I know I speak for many when I say to them, "Your village is here for you, and we have your back!"

50 Plus Years of Banking

What is the Same and What is Different?



BY WAYNE WILLIAMSON
SVP - AG BANKING CREDIT

The picture of Ag Banking has taken many twists and turns over the last 51 years. I know because my banking career started in 1972. I was an Ag graduate from SDSU and thought accepting a job as an Ag Banker would be good. Over the next 51 years, I worked in five different farming and ranching communities in Nebraska and South Dakota. Those many experiences shaped my opinion on what is the same and what is different.

Money is the common theme that has not changed, but we have seen many changes in money and the banking industry.

For starters, here is what **has not changed**.

- Banks and their bankers are committed to strong service and are a great source of current information and research.
- Operating loans are short-term and generally cover the cash operating expenses for the crop growing or a livestock feeding cycle.
- Term loans fund purchasing or trading machinery and equipment, and real estate purchase or refinancing.
- Banks and clients have a high level of mutual trust.
- Loans are based on the 5 C's of Credit - Character, Capital, Collateral, Capacity, and Conditions.
- Loan approvals come with conditions.
- Current verifiable balance sheets and reliable income and expense projections are provided with loan applications.

Here is what **has changed**.

- Bank processes have changed over the last 50-plus years. Those changes include a change in communication methods. Previously, information was exchanged in person when possible and that has not changed. However, when the communication was not in face-to-face interaction, it was typed into a letter sent by regular mail and likely received a week or two later. Today, written letters are rather rare. The current means of communication are an email message, a letter attached to an email, a text, or a phone message.
- The speed of information exchanged has dramatically changed from many days or weeks to now almost immediately. This change has evolved, pushing bankers and bank clients to expect very fast communication and loan decision turnaround. With that, banks have developed loan approval processes to provide prompt and professional loan decisions.
- The Ag Finance arena has become more complex. With much higher levels of technology and science-based farming and ranching practices, ag bankers and bank clients need fast and effective ways to stay informed and current on all new and changing technology.
- Fifty-plus years of business evolution have shifted every operation's labor and capital balance. Today capital is of greater importance, both earned thru operations and borrowed. Therefore, capital is replacing labor. Working long, hard hours is still happening, but it alone is not the key to success. We all know the increased size and scale of farms started many years ago and that the size of operations will continue to grow.
- Operations had great diversification 50-plus years ago. It was common to see many area farms have a combination of — cattle, hogs, sheep, corn, soybeans, alfalfa, oats, wheat, and a big garden. **Not so now.** There is more reliance on one livestock species or one or two cash grain crops. That shift has made crop and livestock revenue insurance programs essential to long-term success.
- Organic and sustainable farming and ranching practices are much different now as that market grows.

At our First Dakota, we understand that any change can strain on the relationship between a banker and client. That is why our team is dedicated to preserving the strong relationships we have built with our clients.

First Dakota celebrated its 150th-anniversary last year. This longevity supports that we have made the changes to continue to be a relevant, reliable, and stable money and knowledge source.

Ag banking still involves loan applications, promissory notes, security, repayment, and balance sheets. That may never change, but all that happens within these elements may change. We look forward to the next 50 years of providing banking services and expect that you are ready for what the next 50 years bring your way. We are here excited and ready to serve your needs.

European Agriculture



BY KEVIN HASELHORST
SVP - AG CREDIT MANAGER

I recently graduated from South Dakota Ag & Rural Leadership (SDARL) Class XI. This 18-month leadership course allowed me to network with classmates and SDARL alums, along with

enhancing my knowledge of agricultural and rural issues in South Dakota. The course culminated with a trip to Europe in February 2023.

The first stage of the international seminar was in the northern section of the Netherlands. We toured farm operations and the Port of Rotterdam, the largest port in Europe, and learned about the agricultural research conducted at Wageningen University. One of the potato farmers we met operates on reclaimed land protected by dikes in an area south of Amsterdam, and the water table is about 1.5 meters below the surface.

In Germany, we toured Emsflower, Europe's largest flower and plant-growing company. Here, we witnessed plants potted at a rate of 18,000 per hour. We also toured a Lemken machinery plant, a seven-generation business producing tillage and seeding equipment. One of the most memorable visits was to an autonomous tractor startup company, AgXeed. AgXeed believes the trend will be smaller autonomous tractors and implements to replace the work of larger machines; however, the price for the 200-horsepower tractor we operated is roughly double the cost of a similar-sized tractor.

We spent three days in Brussels, meeting with employees of Copa Cogeca, an agricultural advocacy organization representing over 22 million farmers and coops. We also heard from representatives of the USDA Foreign Ag Service.

Production Ag takeaways:

- Ag production in Europe is under extreme governmental pressure to reduce livestock numbers and fertilizer usage. One progressive farmer indicated he had not suffered yield loss due to government regulations but is worried he will soon. Despite being in an area with the equivalent of \$100,000 per acre ground, this particular farmer showed little excitement when discussing opportunities for the next generation.
- The European Union (EU) Deforestation Regulation was discussed during our time with USDA Foreign Ag Service. This requires extensive due diligence and documentation of all stages of raising or producing certain agricultural products (e.g., cattle, coffee, cocoa, wood, and other items) to identify if any deforestation occurred. This new

regulation will impact all parties selling certain products to the EU.

- We toured a large and progressive potato farm on the border of the Netherlands and Belgium owned by Jacob Van den Borne. He raises potatoes for McDonald's.

Though Mr. Van den Borne deploys a vast amount of technology on his farm, he likened his process to something his grandfather did decades earlier. His grandfather was meticulous about writing down every

detail of his farm operation to learn from the past and make the best decisions he could. Mr. Van den Borne is doing the same, using technology and data to guide him. The message is simple but sound; use all sources of information available to make the best decisions you can today and then move forward and react if necessary.



In summary, the trip was a true learning experience witnessing businesses and farmers operate and navigate regulations in an area almost 100 times more populated than South Dakota.



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Welcome to First Dakota



Charlie Stephenson joined our Ag team in March as an Ag Banking Officer in Yankton. Charlie grew up in Yankton and was involved in football, track, hockey, and other school activities. He graduated from SDSU with a bachelor's degree in Business Economics and a minor in Ag Business. He was previously an Ag Banker with Dacotah Bank in Brookings.

Charlie enjoys the outdoors and time spent on the river. He can be found hunting, fishing, and hanging out with friends and family in his spare time. He and his wife, Megan, are excited to return to the Yankton area.

How to support the Hupp Family

Our thoughts and prayers continue for First Dakota Ag Banker, Trevor Hupp, and his wife, Kelsey. Here are ways to help and stay connected.

Monetary Donations:

- An account has been established at First Dakota in Trevor and Kelsey Hupp's name. Donations can be made at any First Dakota location.
- <https://gofund.me/207ecbdd>

Stay Connected:

- <https://www.caringbridge.org/visit/mylesandroyceyboy>
- <https://www.facebook.com/huppfamilysupporthub>