

A photograph of a pumpkin patch in front of a red barn. The pumpkins are in the foreground, and the barn is in the background. The text "Farm & Ranch GUIDE" is overlaid on the right side of the image.

Farm & Ranch GUIDE

Get to Know Your Banker

If you don't have a good banker on your side, your farm might not be getting the most out of its finances and loan opportunities. Your banking institution is your partner in making sure funds are available for new equipment, infrastructure, staff and repairs.

Without a clear understanding of what your bank can and cannot do, you can compromise the overall financial health and future of your farming operation.

COMMUNICATING WITH YOUR BANK

Setting up regular meetings with your banker is an important step in keeping lines of communication open. Initial meetings with your bank should include setting up a road map for success.

As the relationship progresses, the financial reports you provide your banker will serve as the cornerstone for future loans and transactional support. These reports include balance sheets, income statements and budgets. Once the banker reviews these pieces, he or she can offer pertinent solutions to your financial questions.

A CONSISTENT RELATIONSHIP

When it comes to finding the right banker, you're looking for consistency. An ideal partner is one who is consistent and clear about lending practices.

Farming can be an unpredictable endeavor, given the elements that are ultimately out of the farmer's control. Finding a banker who is practical with a robust under-



standing of the agricultural industry — and all of its quirks — will help you survive hardships, overcome challenges and react to opportunities for growth.

HOW TO FIND THE RIGHT BANK

Not every lender will neces-

sarily be the right fit when it comes to financing your farm. When looking for the right partner, there are a few key questions to ask yourself:

- Is the bank comfortable with agricultural loans?
- Does the bank have the ability and size to finance your operation?

• Do other farming operations you know use this bank? In other words, does it have a track record of serving agricultural professionals?

- Does the staff seemingly have the knowledge, background and experience to meet your financing needs?
- Do you feel confident the

bank will stick with you when challenges arise, including low commodity prices or serious drought?

Once you feel confident in answering “yes” to all of these questions, it might be the right time to enter into an engagement with your new lending partner.

Rebuilding After a Disaster

If you have been farming long enough, you likely have been impacted by a weather-related disaster. Rising floods, raging wildfires and crippling droughts can make or break your farm production — as well as put your livestock and facilities in harm's way.

The effects of these types of disasters are not just financial, but emotional and psychological as well. Overcoming a crisis requires strong partnerships with your staff, vendors and lending officers, to name a few.

EMERGENCY LOANS

The United States Department of Agriculture's Farm Service Agency provides assistance for natural disaster losses resulting from drought, flood, fire, freeze, tornadoes, pest infestation and other calamities.

Some of these loan programs include the Livestock Forage Program, Livestock Indemnity Program, Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish, and the Tree Assistance Program. Check out www.fsa.usda.gov for more information on these opportunities.

TAP INTO LOCAL EXPERTISE

Your best partners in overcoming disaster can be local extension agriculture agents and educators. These professionals bring a breadth of experience and knowledge, and are privy to resources you may not know about. They can put you on the path to short- and long-term profitability while you take the steps to



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restore your operation.

Local officials are flexible and can work with you when you need them. They can offer an outside view of how to best prepare for and react to disaster situations on your farm. This perspective can be critical in making sure you assess and

address any risks you might be overlooking.

BUILD A PLAN

Once the heavy lifting of repairing fence line or replacing livestock is over, it's time to build a disaster plan that can help streamline your response

to a similar disaster down the road.

Outline clear, concise tasks for your staff members when an emergency strikes. Post your plan both in-house and online so personnel can access it at all times.

Your plan should include a

simple process for overcoming common incidents. Make a list of your most critical contacts, including your lender and insurance representative. Timely outreach is critical in the face of a disaster and can make a major difference in response.

Negotiating Farmland Rent

Negotiating farmland rental rates can be a challenging endeavor, especially setting an initial price that might be locked in for years.

As the landlord, you want to make sure you are making a steady profit year over year. You also want to be fair with your tenant to ensure a healthy long-term engagement. Your costs as the landowner include loan payment, insurance and taxes, all of which are major factors in setting a reasonable, fair rate.

Below is a helpful landlord checklist from the Michigan State University Extension to help you develop a reasonable rental rate for your land. Work with your local extension officials to help walk you through these questions and set a fair, profitable rate.

1. What is the crop productive index for the land from the Soil Conservation Service survey?

2. What is the nutrient content (soil test report from last year)? N, P, K, Zn, Mn, Mg, pH, and organic matter come into play here.

3. What is the crop production history (for each crop planted on the farm in the last 10 years)?

4. What is the crop production level? (Yields for each crop planted on the farm for the last 10 years. Push for actual yields not coffee shop or general numbers).

5. What chemicals have been applied and at what rate of application, to the crops over the past three to five years? (This can have a big impact on rotations).

6. What is the drainage tile spacing, type of tile, when were they installed,



spacing, etc. Do you have a tile map with outlet information?

7. What is the surface drainage situation, grass runways or outlet locations and their function, or is there a pot-hole drainage system?

8. Are you willing to share some of the production and price risk to have the potential for higher rent?

9. Are you willing to share some of the production cost or be in a crop share arrangement?

10. Are you willing to enter into a flex rental arrangement that has a base cash rental rate with a maximum price that would be triggered if the crop yield and prices are above an agreed upon level?

11. What is the size of each field that you are renting? Total tillable rental acres?

12. Do any fields have any access restrictions, such as narrow drives, fences, electric/telephone poles, houses, barns, schools, located on busy road or close to residential areas?

Water Conservation Tips

Agriculture uses an estimated 70 percent of freshwater withdrawals globally and 40 percent of freshwater withdrawals in the United States, according to the U.S. Geological Survey.

This consistent pull on water — along with severe droughts and freshwater shortages across the country — makes water conservation a top-of-mind issue for many farmers and natural resource advocacy groups.

Fortunately, technology and awareness have opened the door for many water conservation tools, methodologies and equipment. These innovations make it easy to integrate a new mindset into your farm's operations, one that is focused on preserving our most valuable natural resource.

Here are four water conservation tips to get you started:

IRRIGATION EQUIPMENT

Water conservation can be catalyzed by first taking care of problem-plants that consume significant quantities of water. Phreatophytes fall into this category and include Russian Olive, tamarisk, willows and cottonwood. According to Colorado State University, phreatophytes can reduce “the availability of water to a cropping system and its users.”

Proper irrigation can take water away from these plants. You can also remove them through safe chemical or mechanical means.

IRRIGATION SCHEDULING

Speaking of irrigation, smart sched-

uling can dramatically decrease water use while improving yields.

For the tech-savvy, software programs can gather weather data including local temperature, rainfall and humidity to provide targeted recommendations for optimal irrigation scheduling.

Reach out to your local county agriculture extension for tips on irrigation scheduling. The University of Minnesota provides an extensive guide on irrigation scheduling using the checkbook method.



LASER LEVELING

A relatively new integration into the farm operation, laser leveling can reduce water use by up to 30 percent and increase crop yields by up to 20 percent, according to the Texas Water Development Board.

This sophisticated land leveling equipment can create ideal field slopes depending on the type of irrigation used.

A level field conserves water by reducing runoff and allowing uniform distribution of water.

RAINWATER CATCHMENT

If you're looking to harness more rainwater, Iowa State University's website describes the process of installing a catchment system to collect rainwater. This 30-foot-by-96-foot hoop house can collect up to 28,000 gallons of water per season, according to the university.

No matter your method, now is the time to make an impact on water conservation. Talk to your local extension to see what is financially viable for your operation and make the decision to get involved today.

Cattle and the Cold

As the cold creeps in, don't forget to consider your cattle. Especially in the Northern Plains or Northeastern corridor, cattle can have a hard time replenishing the amount of energy it requires to stay warm against dropping temperatures.

Some temperatures this winter will easily reach below minus-30 at some point, making life tough on livestock and the farm hands attempting to efficiently manage them.

INCREASED FEEDING

With a heavy winter coat, the critical temperature for cattle is around 18 degrees Fahrenheit, according to the North Dakota State University Extension Service. Below this temperature, cattle begin expending more energy to stay warm.

One way of combating this natural reaction is to increase the amount of feed you deliver to your herd on a daily basis. Consider feeds with higher nutrient quality to help your cattle reach their required level of nourishment.

ADEQUATE PROTECTION

Another relatively simple way of keeping your cattle warm this winter is to provide plenty of protection from the elements. The combination of frigid temperatures, moisture and wind can cause frostbite or even death.

Create permanent or portable windbreaks to protect your cattle, or strategically use natural barriers such as trees for protection. To overcome moisture challenges,



ensure adequate amounts of bedding to keep your cattle dry. This can be especially critical for calves, which are in increased danger of frostbite, hypothermia and death.

REMEMBER YOUR EMPLOYEES

Be sure not to overlook your human capital this winter season as you work hard together to keep your cattle herd safe,

dry and warm. Encourage your farm hands and ranch managers to wear warm clothing while they work outside. This includes layers, extra gloves and wind protection.

Remind them that the animals can only be protected by people who are prepared to deal with all of the elements Mother Nature has to offer this time of year.

Training and Education

The agriculture industry will always be in demand of forward-thinking, cost-focused innovators, especially as technology cements itself further into daily operations.

If you're considering entering the field, there are multiple avenues to becoming a successful farm owner, operator, employee or sales professional. Many American universities offer traditional four-year degrees and specialty certifications.

Many secondary credentials are available through community colleges or extension campuses and also can lead to high-paying, dependable jobs for years to come. The key is finding the program that positions you for an agricultural job you'll love.

ACCREDITED FARM MANAGER (AFM)

The American Society of Farm Managers and Rural Appraisers (ASFMRA) is the primary certifying body for several specialties, including the AFM. As a professional farm manager, your tasks can include operational plan development, capital improvement, lease management, real estate appraisal and team leadership.

According to the ASFMRA, here are the prerequisites for the AFM certification:

- Four years of farm or ranch management experience or equivalent (One calendar year equals 1,600 hours).
- A four-year college degree or



equivalent.

- Current membership in ASFMRA prior to submitting an accreditation application.

- Completion and submission of the AFM Exam application and fee.

- Submission of one farm management plan demonstrating the applicant's ability to generate plans according to ASFMRA standards.

- Successful completion, with passing grades, of ASFMRA courses in management, consulting and ethics.

- Passing the final AFM Accrediting exam.

CERTIFIED AGRICULTURAL CONSULTANT (CAC)

Do you enjoy solving problems for clients and giving advice on best-practice solutions? The American Society of Agricultural Consultants (ASAC)'s CAC designation might be your best bet.

Here are some of the protocols required to earn a CAC designation, according to ASAC:

- Five years of agricultural consulting experience. (One calendar year consists of minimum 600 hours.)
- A four-year college degree or equivalent.

- Submission of an agricultural consulting plan illustrating the applicant's ability to meet ASAC standards for such documents.

- Completion of numerous courses, including Standards & Ethics for Agricultural Consultants, Communications for Ag Consultants, and Consulting Services Delivery.

- Current membership in ASAC prior to applying for certification.

- Completed CAC application for the final accrediting exam, with applicable fee.

- Pass final CAC Certification exam.

Organic Certification

Have you ever wondered what it would take to become a certified organic operation?

Research shows that organic farming practices can make major positive impacts on our environment — and your bottom line.

They can improve water quality, conserve energy, enhance biodiversity and contribute to enhanced soil health. Becoming certified organic also can boost your reputation as an environmentally conscious farmer with more than just production in mind.

There were more than 22,000 certified organic farms and businesses generating \$43 million in retail sales of organic products in the United States in 2015, according to the United States Department of Agriculture. The industry creates jobs and promotes economic growth and opportunities across rural America.

TAKING THE STEPS

Are you thinking about becoming certified but unsure where to start? There are many resources available to make the certification process as financially and operationally viable as possible.

According to the USDA, there are five basic steps to organic certification:

- The farm or business adopts

organic practices, selects a USDA-accredited certifying agent, and submits an application and fees to the certifying agent.

- The certifying agent reviews the application to verify that practices comply with USDA organic regulations.

- An inspector conducts an on-site inspection of the applicant's operation.

- The certifying agent reviews the application and the inspector's report to determine if the applicant complies with the USDA organic regulations.

- The certifying agent issues an organic certificate.

COST AND MAINTENANCE

It is relatively simple to maintain organic certification. Your farm or business will go through an annual review and inspection process, and you will be kept in the loop of any changes or updates required to retain your status.

Actual certification costs or fees vary widely depending on the certifying agent and the size of your operation, but can range from a few hundred to several thousand dollars. Charges generally cover the application fee, annual renewal fee, assessment on annual production or sales, and inspection fees. The USDA Organic Certification Cost-Share Programs can reimburse eligible operations up to 75 percent of their certification costs. Don't forget to check into this valuable assistance.