

Ag Banking SOLUTIONS



Tips & information for the ag industry from Investors Community Bank / Volume 3, Issue 2, 2017

LET'S GET PERSONAL



MARK LUDTKE

Many of you know our ag banking team on a professional level, but how much do you know about them personally? Each issue we spotlight a different team member and share some fun facts!

Name: Mark Ludtke

Title: Assistant Vice President -
Ag Banking Officer

Education: UW-River Falls
Major - Animal Science
Minor - Food Science

- **Years ag banking experience:** 3
- **What was your favorite food when you were a child?** Mashed potatoes and steak
- **What's the most played song on your iPod?** "The Only Way I Know" by Jason Aldean
- **When you have 30 minutes of free time, how do you spend it?** Reading or playing with my kids
- **What is your favorite quote?** "Don't put it all on the line for just one roll. You've got to have an ace in the hole." - George Strait
- **If you could learn anything, what would it be?** Fly military jets

Planning for potential business disasters vital

Recent news showcased how more than 50 dairy farms were nearly devastated by the Canadian trade policies that forced Grassland Dairy Products to drop them as patrons. While that roller-coaster experience has ended with nearly all of the affected farms finding new processors, it should serve as a wake-up call for every farm owner to plan for the unthinkable.

Most farmers are well-equipped in terms of insuring their business against potential acts of nature. But many are not so prepared for other types of disasters that warrant having a "Plan B" if they want their business to survive. While it's human nature to want to avoid the unthinkable, planning for all types of disasters is a crucial part of farming operations.

Now is the time to take an inventory of the items below and to pinpoint your farming operations' vulnerabilities. I suggest assigning a number to each of the six items below, with one being the area in which you're most vulnerable and six the least.

- **Public relations challenges.** What's your plan if your business experiences a significant manure spill, adverse animal welfare publicity or the injury/death of an employee while working on the farm? Communication and transparency are key, and determining messaging when you're in the throes of such an emotional situation is not the right time to do so.
- **Serious disease outbreaks/serious toxicity in feed.** Most farmers are aware of recent examples of disease outbreaks in the hog and poultry industries, but dairy farmers are not immune. Have you worked with a veterinarian to identify key disease risks and protocols?
- **Weather/acts of nature.** You may be well-insured, but do you have a plan for what you do and how you will sustain operations while you're waiting for the insurance check? Ask yourself if there are back-up locations where you could house your animals if shelter is destroyed.

(continued on back)

Planning for potential business disasters (cont.)

What if your power is cut off? Do you have fundamentals such as backup generators in place?

- **Serious labor shortages.** In today's political environment, farmers are more vulnerable than ever because they have a large immigrant work force. Where would you obtain temporary help if you lost your labor?
- **Serious injury/disability/death of key managers or employees.** Life insurance is an obvious mitigant to this risk. But in the event of a serious injury or death, how do you operate without the know-how and labor of that key employee? Where have you documented key information only that employee knows?
- **Loss of key suppliers, key advisers and other crucial partners.** The Grassland situation raised the issue on the processor side of the equation, but what would happen if you suddenly lost your nutritionist, veterinarian, heifer raiser, custom farming operator or feed suppliers? To a large extent, many of these individuals are like members of your employee base in that they have an intimate knowledge of your operations and act as a trusted extension of your business. Sure, partners can usually be replaced (although finding a new custom farming operator is a challenge), but what do you do in the interim?

After you've listed the vulnerabilities in order of priority, I recommend brainstorming potential solutions to each with your management team. Document your plan and test parts that can actually be tested. Then, just as you revisit a business plan regularly, revisit your disaster plan annually.



It may be the difference between your farm's viability and its demise in the event of a disaster.

By Dave Coggins, Executive Vice President / Chief Banking Officer, Investors Community Bank

ICB welcomes new SVP - Ag Banking

Investors Community Bank has welcomed Tim McTigue as Senior Vice President - Ag Banking, responsible for all agricultural banking services at ICB. He brings more than 25 years of financial services experience to the role, including seven years in ag banking. He previously held

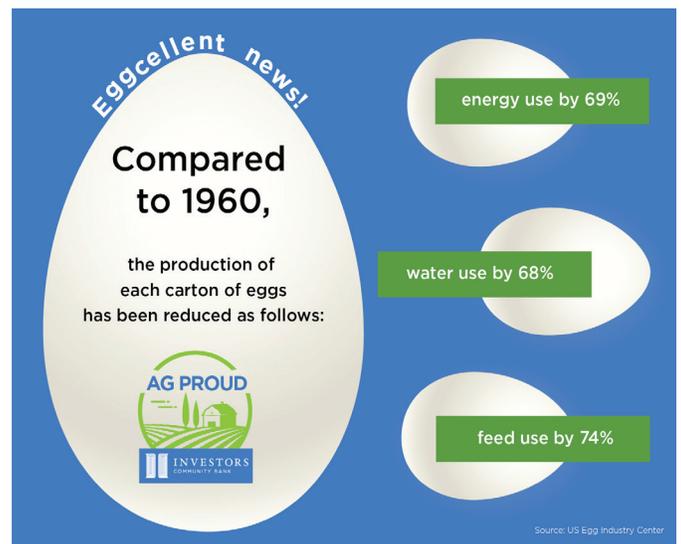


positions as regional vice president for an agriculture financial services company and as first vice president at another bank in Indiana. Tim and his wife, Deirdre, have three children.

Be an Ag Advocate!

Investors Community Bank is making a commitment to being a stronger advocate for the ag industry. We want to start more consumer conversations about farming and the vital impact it has on our communities, country and the world.

The graphic below is one of many you will be seeing as we start the conversation. Visit www.investorscommunitybank.com/ag-advocacy for more info. Be ag proud!



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