

NDBA Ag Credit Conference

October 2-3, 2025

In-Person and Virtual Options

Conference Location:
Radisson Hotel | Bismarck ND



NORTH DAKOTA
BANKERS
ASSOCIATION

2025 NDBA Ag Credit Conference

Radisson Hotel | Bismarck ND



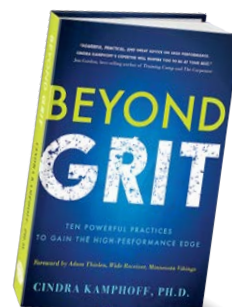
Agenda

Thursday, October 2

7:00–8:00 am	Registration and Continental Breakfast
8:00–9:15 am	The Pulse of Agriculture and Agricultural Lending <i>Dr. David Kohl, Professor Emeritus, Virginia Tech University</i>
9:20–10:20 am	The Future is NOW <i>Steve Maulberger, Great American Insurance Group</i>
10:20–11:10 am	Ag Policy Update <i>Ed Elfmann, American Bankers Association</i>
11:15 am–12:00 pm	Concurrent Sessions <ul style="list-style-type: none">1. Livestock Insurance Lavi Steiner, Commodity Insurance Agency2. Risk Management Tyler Schau, AgMarket.Net3. Fighting Fraud Heidi Schumacher, Border Bank4. Managing Water for Optimal Yields Dani Quissell and Steve Knorr, ND Irrigation Association
12:05–1:00 pm	Lunch
1:00–1:45 pm	Lien Risk in Ag Lending <i>Tracy Kennedy, Zimney Foster PC</i>
1:45–1:55 pm	Farm Service Agency Update <i>Holly Heimark, USDA Farm Service Agency</i>
2:00–2:50 pm	Regional Agriculture Pain Point Report (RAPPR) <i>Andrew Jason, Grand Farm</i>
3:00–3:55 pm	Livestock Roundtable Discussion <i>Moderated by Sarah Heinrich, Growing Harvest Ag Network</i>
4:00–4:45 pm	How Young Voices in Agriculture are Growing Impact and Income <i>Emma Seamons, @AgwithEmma</i>
4:45–6:00 pm	Networking Reception

Friday, October 3

7:00–8:00 am	Buffet Breakfast
8:00–9:00 am	The High-Performance Mindset: Practical Tools to Build Resilience and Courage <i>Cindra Kamphoff, Mentally Strong Institute</i>
9:15–10:15 am	Ag Profitability in Uncertain Times <i>Jason Henderson, Iowa State University</i>
10:25–11:25 am	They Might Not be Crazy: Working with People You Disagree With (And Might Not Even Like) <i>Dallin Cooper</i>
11:30 am	Wrap up and Adjourn



“Extraordinary Leadership for North Dakota Banks”

2025 NDBA Ag Credit Conference Featured Speakers



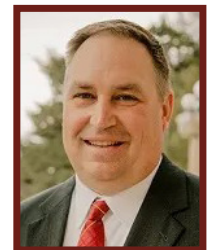
Dallin Cooper
Keynote Speaker



Ed Elfmann
American Bankers Association



Sarah Heinrich
Growing Harvest Ag Network



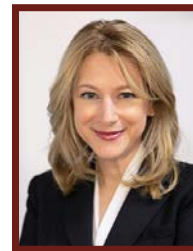
Jason Henderson
Iowa State University



Andrew Jason
Grand Farm



Cindra Kamphoff
Mentally Strong Institute



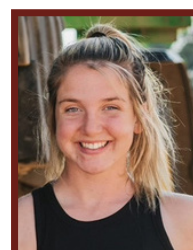
Tracy Kennedy
Zimney Foster PC



Dr. David Kohl
Professor Emeritus, Virginia Tech University



Steve Maulberger
Great American Insurance Group



Emma Seamons
@AgwithEmma

Sponsors



Questions during the conference?
Call NDBA's SVP of Education Dorothy Lick at 701.391.5303

NDBA Staff



Left to Right Back:

Lisa Dolajak
Jolene German
Dorothy Lick
Tara McFadden
Jackie Bauer
Angi Day

Seated:

Rick Clayburgh

NDBA Agriculture Committee



Left to Right:

Dorothy Lick, NDBA; Dustin Nagel, Dakota Heritage Bank; Jim Leier, BND; Kayla Macheledt, TruCommunity Bank; Simon Anderson, Bank Forward; Matt Evenson, BankNorth; Josh Elder, The Union Bank; Rick Clayburgh, NDBA; Pete Burgard, Merchants Bank; Rory Timm, Unison Bank; Jon Leadbetter, Choice Bank; Kory Harper, Bravera Bank; Brian Dukart, Dacotah Bank; Paige Kjesbo, American Federal Bank; Victoria Coven, BND, and James Reiner, Starion Bank.

Not pictured: Dianne Pierce, Dakota Western Bank; Andy Gilje, Rolette State Bank; and Julie Byron, First United Bank



Dr. David Kohl, Professor Emeritus, Virginia Tech University

THE PULSE OF AGRICULTURE AND AGRICULTURAL LENDING



Dr. David M. Kohl

Professor Emeritus, Agricultural and Applied Economics
Member of Academic Hall of Fame, College of Agriculture & Life Sciences
Virginia Tech, Blacksburg, VA
Email: sullylabvt@gmail.com

October 2, 2025

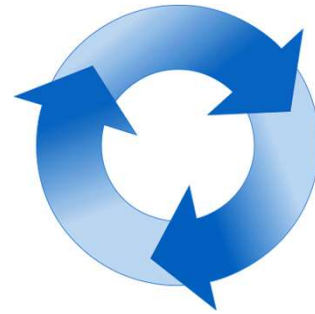
Quick Agricultural Economic Update

- Grain and row crops – “bearish”
- Livestock, diversified, value added – “bullish”
- Export market watchlist
- Tariffs, sanctions & currency valuation
- Profit, liquidity, cash flow vs. going broke



Duration of the Cycle

- Export markets – trade sanctions, tariffs, “counter tariffs”
- Weather globally
- Fiscal policy
 - \$2 trillion deficit
 - Cost of long term money
 - \$37 trillion federal debt
- Competition from Global South



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What Economic Wins Look Like Now for Row Crops/Grains

- Breakeven without government checks or ad-hoc payments
- Marketing and risk management plans to support breakeven or capitalize on profit windows
- Protect your backup reserves (working capital)
 - Level of losses, timeline of burning through reserves
 - Refinance: life & amount of new debt obligation
- Financial sensitivity analysis: scenario planning for profit, production, price, cost & debt service



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What Economic Wins Look Like Now for Livestock, Diversified, Value Added, Beef, Etc.

- 60-30-10 Rule
- Working capital plan to build reserves
- True liquidity: quickness to cash
 - Matching CA to CL: 30, 60, 90, 120 days
- Spend \$1.00 to save \$0.20 to minimize taxes
 - Profit or working capital obligation
 - Additional debt service obligation
- Disorganization & complacency are business financial killers



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Winning Strategies for the Economic Cycles

- You can't out earn disorganization
- Ownership of the numbers
- Three point winning strategy:
 - Stay informed of economic trends
 - Manage the controllables in the operation
 - Manage around the uncontrollables in markets & the economic environment



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Quick Global Economic Assessment (1)

■ China

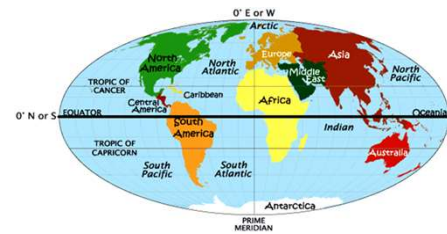
- Demographics
- Stock market value decline
- Real estate decline
- Silk Road Initiative global influence
- Taiwan?

■ India

- Russian oil
- Farm policy protectionism
 - Rice, wheat & sugar

■ European Union & Great Britain

- United front economy
- Tourism still strong
- More military spending
- China, U.S.A. exports critical



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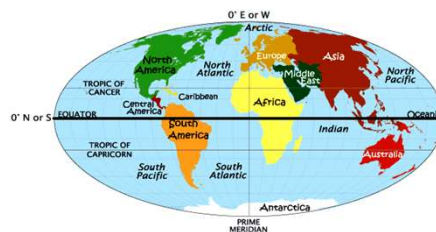
Quick Global Economic Assessment (2)

■ Mexico/Canada

- Mexican cartels
- Trading alliances outside U.S.A.
- Export & import status

■ Southern Hemisphere

- Africa- new Brazil?
- Competitive pressures
- Increased acreage
- Currency infrastructure
- New common currency



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Largest Extraregional Trading Partners, by Total Value of Goods Traded



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U.S.A. Economy Snapshot: ALICE

- ALICE- Asset Limited, Income Constrained, fully Employed
- Less than 5% spending
- Stimulus checks during & post pandemic
- Consumer credit card debt buildup
- Credit card debt \$1.3 trillion
- Delinquency rate on credit cards & auto loans is highest since 2012

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U.S.A. Economy Snapshot: HENRY

- HENRY- High Earners, Not Rich Yet
- \$100,000 - \$500,000 household earnings
- High level of graduate school debt
- Priced out of housing market
- Lack of stock & real estate appreciation
- High levels of consumer spending & buying experiences
- Very vulnerable for job layoff and AI replacement

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U.S.A. Economy Snapshot: HERMAN

- HERMAN: High Earners, Rich, Mobile, Appreciated Net Worth
- 10% of population, 49% of consumer spending from 36%
- Household or business wealth, paper wealth accumulation \$1 million to \$10 to 25 million
- Older demographic, frequently above 60 years of age
- Spent 58% more in the last 4 years vs. 21% inflation increase
- HERMANs account for one third of gross national product
- Top 20% of earners, net worth has increased \$35 trillion or 45% since 2019
- Increased \$14 trillion for the bottom 80%

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Dr. Dave's Economic Watchlist

- Unemployment
- Consumer sentiment
- Housing issues
- 10 & 30 year rates, bonds, treasuries
- Stock market
- Other



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Interest Rates Fall 2025 & Winter 2026

- Two cuts of 25 basis points by end of the year
- Inflation wild cards
 - Tariffs lag effect
 - Sector dependent
 - Insurance & medical costs
 - Energy & A.I.
 - Federal Reserve
- Currency valuation
- Funding of debt



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Fiscal and Monetary Trainwreck?

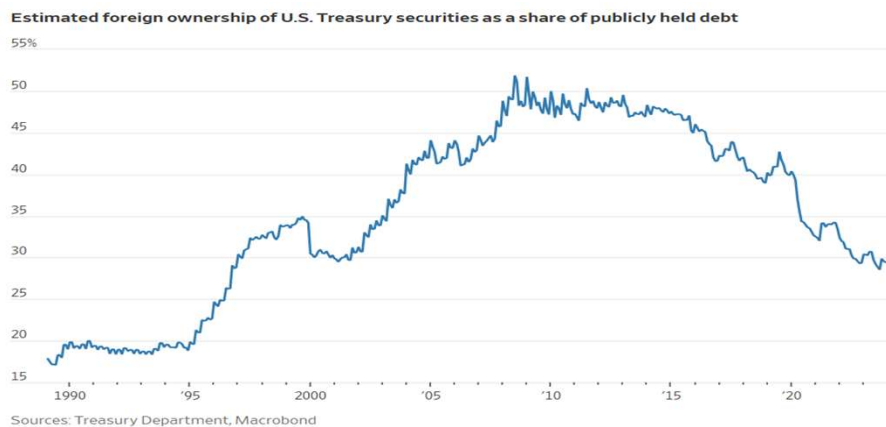
■ Government revenues	\$4.4 Trillion
■ Government outlays	\$6.3 Trillion
■ Net Interest on Public Debt	\$870 Billion
■ Military spending	\$753 Billion
■ Deficit in 2023	\$1.7 Trillion
■ Deficit in 2024	\$1.8 Trillion
■ Deficit through July 2025 YTD	\$1.3 Trillion

Sources: Congressional Budget Office, see link below.

https://www.wsj.com/opinion/u-s-budget-deficit-government-spending-congressional-budget-office-report-d2c07021?mod=Searchresults_pos1&page=1

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Estimated Foreign Ownership of U.S. Treasury Securities as a Share of Publicly Held Debt



Source: Wall Street Journal, April 20, 2025

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Excessive Public Debt – Ferguson's Law

- Great powers of the globe that spend more on debt service than defense risk ceasing to be a great power.
- How much debt is too much debt?
 - Debt service (interest and principal) > defense spending
 - In 2024:
 - Defense spending \$1.107 trillion
 - Interest on payments \$1.12 trillion
 - Compounded by a welfare system
 - Lower birth rates
 - High social welfare system

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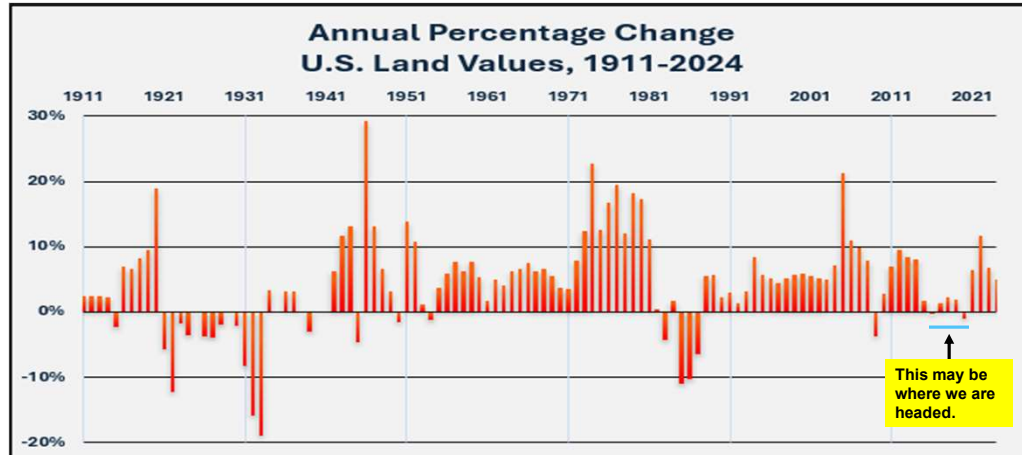
Invisible Fence

- Interest on Federal debt exceeding military budget
- Dollar trade becomes less than 50% global trade
- A.I. replaces jobs in white collar sector
- Housing market decline
 - 30% longer term
- Stock market decline
 - 30% longer term



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U.S. Farm Real Estate Values



Source: Dr. Steve Isaacs, University of Kentucky

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The Rise & Fall of Farm Land Values 1

1970S RISE

- Global export markets
- Farm debt tripled
- Land: the inflation hedge
- Transition acceleration
 - Great Depression to WWII Generation to Baby Boomers
- Farm loans: character/collateral
- Weak dollar

1980S DECLINE

- Loss of export markets
- Tightening of credit
 - Regulators
 - Lenders
- Rapid rise of interest rates
- Higher rates of return on CDs and money market accounts
- Financial liquidity crunch

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The Rise & Fall of Farm Land Values 2

21ST CENTURY RISE

- China & Great Commodity Supercycle
- Zero bound interest rates
- Ethanol
- Value of outside agricultural returns
 - Water & minerals
 - Green energy
 - 1031 exchanges
 - Development
- Baby boomer producers – in the power age zone of investment

2025 & BEYOND- MARKERS FOR DECLINE

- Doubling interest rates
- Bearish commodity markets
- Tightening of credit
 - Regulators
 - Lenders
- Resistant plane markers
 - Crop/livestock insurance
 - TINA/Baby Boomers
- Water & minerals
- Development

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Where Credit Losses Occur

- Fraudulent activities
- Non-transparent financial systems
- No ownership of financials
- Liquidity versus equity crunch
- Non-financial factors- “Deadly D’s”
- Lifestyle creep
- Lenders’ cultures



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Sign Post of Opportunities

- Young, beginning farmers & ranchers, high business financial IQ - “alignment”
- Profitable farms, ranches & businesses in “growth mode”
- Accelerated transition in agriculture - “be at the table”
- Selected refinancing – “planning, execution, & monitoring”
- Value added – “agri-entrepreneurship mentality”
- Risk management programs – “mitigation”
 - Crop/livestock insurances
 - FSA, SBA guarantees



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Lenders & Borrowers: What is Headed Your Way?

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Lenders & Borrowers: What is Headed Your Way? Lower Coverage Ratios

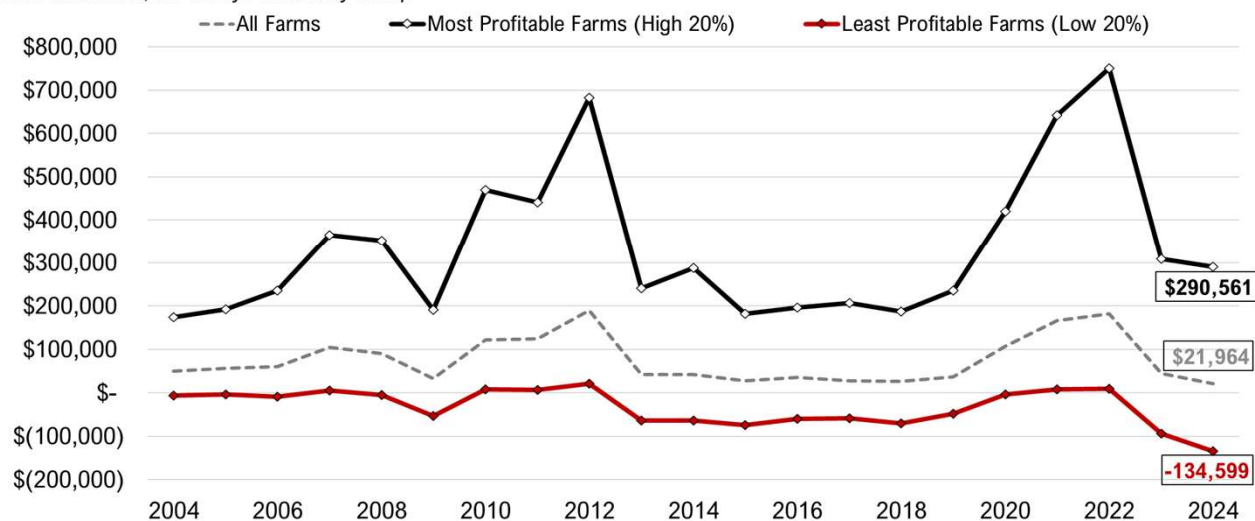
- Operating losses
- Refinances at higher rates
- Substantially higher living costs
- Low 20% negative ratios



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Median Net Farm Income by Profit Group

Data: Minnesota, Sorted by Profitability Group

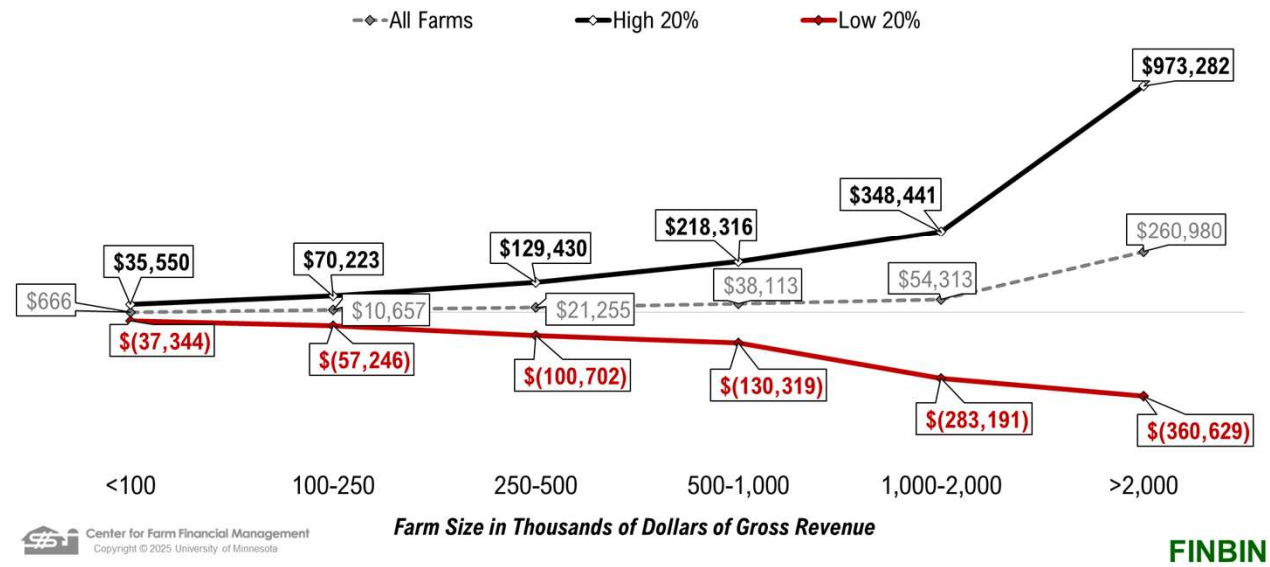


Center for Farm Financial Management
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FINBIN

Median Net Farm Income by Farm Size in 2024

Data: Minnesota, All farms, Farm size measured by gross revenue in thousands of dollars



Quote for the Quarter Century

“The opportunity for business and personal prosperity is not about the size, the enterprise or the next big thing. It is about being a ‘five-percenter,’ meaning being a little better in many components of production, operational efficiency, marketing, risk management, finance, human resources and in the focus on your values and goals.”



Lenders & Borrowers: What is Headed Your Way? Decline in Working Capital

- Devaluation of inventory
- Operating losses
- Capital expenditure decisions
- Lenders replenish working capital
 - Plan to preserve
 - Burn rate
 - Long term debt obligations



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Lenders & Borrowers: What is Headed Your Way? Monitoring Intensity!

- Once a year is not acceptable
- Accounts payable
- Credit card debt buildup
- Numbers decline, acceleration in larger customers
- Producers seeking new lenders
- Split lines of credit

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Lenders & Borrowers: What is Headed Your Way? Surprises

- Fraudulent activities
- Bills unpaid & left off payables
- Capital expenditures – deferred payments & maintenance
- Non-collectible accounts receivable
 - Custom work
 - Grain/livestock
- Loans from friends and/or relatives
- Machinery & equipment values decline by 50%
- Divorce, depression & disengagement

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Five Losses: Business Indicators

- Financial & business disorganization
- No operating plan to back up profit and loss or cash flows
- Passive management dependent on land equity outside income
- Personal lifestyle creep & personal/family drama
- Quick fix or the “Next Big Thing” syndrome

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Five Losses: Personal Indicators

- Life setbacks
- Financial & investment failures
- Family and/or business disputes
- Emotional imbalance
- Mental disorders

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Agricultural Lending Financial Spectrum

Collateral Lender

- Don't know cost of production
- Monitor financials once a year for tax reasons, no ownership of the numbers
- Shoot from the hip, marketing & risk management
- Family living cost issues
- Lender develops the statements
- <25% debt to asset ratio with land collateral

Profit, Cash flow, Sixth C Lender

- Knows cost of production & break evens via enterprise
- Develops & monitors financials & cash flows frequently
- Marketing & risk management plan executed and monitored
- Family living budget separate from the business budget
- Team of advisors
- Aforementioned is critical for producer renting & leasing and > 50% debt to asset ratio.

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Bridge & Pier Concept

- Are you building a bridge or a pier?

The more you go down the pier, the deeper the water. This increases the need for a higher level of expertise, and there are fewer options.



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Conditions that Drive the Customer to End of Pier

- Non-responsive customer/lender
- Lack of execution
- Got the equity, give me the refinance without a written plan that's monitored
- Unreasonable expectations to breakeven
- Focus on swamp issues
- Surprises, hidden debt, timing of processes



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Conditions that Build the Bridge to Success

- Plan in writing by the customer/consultant not the lender
- Mini victories by monitoring, monitoring & monitoring
- Frequent communications: relationship officer/credit analyst & loan committee/customer
- Willingness to develop cash flow, balance sheet & Business IQ
- Transparent no surprises by borrower & lender



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Profile of a Customer with Favorable Odds

- Strong financial business managers: R.E.M.
- Minimum of three to six sources of revenue
- Character: fix the problem & be accountable
- Organized, accurate & timely records
- Accrual-adjusted income statements
- Detailed contingency plan with written actions & dates
- Strong risk management plan
- Respectful communications between borrower & lender

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Six Cs of Agricultural Lending

BANK/ASSOCIATION

- Conservative in good times
- Courageous in tough times
- Consistent in all times

TEAM MEMBERS

- Calculate & Connect the Dots:
(Art & Science of Lending)
- Critical thinking
- Communication



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Dr. David Kohl's Contact Information:

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Scheduling:

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Angela Meadows

Email:

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Online Articles:



- Farm Progress Weekly Article:
<https://www.farmprogress.com/author/david-kohl>
- Ag Trends & Insights Videos
<https://agwestfc.com/education-and-resources/industry-and-economic-insights/economic-updates/agricultural-trends>
- Dave's GPS & Dashboard Indicators
<https://www.farmermac.com/news-events/daves-gps/>

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Dakota School of Banking

May 31 - June 5, 2026 • University of Jamestown • Jamestown ND

The Dakota School of Banking provides a focused education of the banking industry. Students enroll for two years, attending one week each summer. The first-year session provides students with a general overview of the banking industry and banking departments. The second-year session builds on this general banking knowledge and adds a computerized bank management simulation. Bankers at all levels benefit from the well-rounded curriculum that builds on fundamental skills and focuses on emerging trends.





Steve Maulberger, Great American Insurance Group

Group
discounts
available!

AGRICULTURAL BANKERS CONFERENCE

November 12-14, 2025
St. Louis Union Station Hotel
St. Louis, MO

Get actionable insights and strategies to grow
your ag banking business despite today's
uncertainty in the ag sector and economy.

You'll also hear the latest outlooks on
commodities, weather and government
policies (including the Farm Bill and ACRE)
that will affect your productivity.

Register now

aba.com/AgConfSA





Ed Elfmann, American Bankers Association



— SDBA/NDBA — 2026 DAKOTA SCHOOL OF LENDING PRINCIPLES

APRIL 7-10, 2026

RAMKOTA HOTEL, PIERRE, SD

The SDBA/NDBA Dakota School of Lending Principles is a learning event with one foot grounded in the classroom and one foot in the bank.

This school allows students to learn the theory and process of basic lending and then put this knowledge to work in actual nuts and bolts sessions.



A background image of a field of tall, golden-brown grasses or reeds, slightly blurred, with a small wooden structure visible in the distance. The image is overlaid with a grid of horizontal lines, suggesting a template for writing or drawing.

Livestock Risk Protection

For more information contact:
Lavy Steiner
701-290-3990
lavy@ciagencynd.com



You don't have to be a commodities expert to protect yourself against unpredictable markets

LRP insurance is available all year long

LRP Basics >>>

LRP protects against a decline in market price below the insured's selected coverage price. Perils such as mortality, physical damage, disease, individual marketing decisions etc. are not a covered cause of loss.

Feeder Cattle Weight Classes:

Steers Weight 1 - 1.0-5.99 cwt

Steers Weight 2 - 6.00-10.00 cwt

Heifers Weight 1 - 1.0-5.99 cwt

Heifers Weight 2 - 6.00-10.00 cwt

Unborn Steers & Heifers - 1.0-5.99 cwt -livestock not born on the effective date are expected to be marketable prior to the end date of the endorsement.

Fed Cattle

Expected to grade select or higher with a yield grade 1 to 3.

Expected to market for slaughter weighing 10-16 cwt.

Dairy, Brahman & Swine coverage is also available.

No minimum head requirements

No bid/ask spread.

Premium is due at the END of the endorsement period.

Wide range of target weights.

May be viewed more favorable by lenders than derivative products.



Livestock Risk Protection

I want to purchase a LRP policy, what's next?

Step 1 – Complete an application for coverage with a licensed insurance agent.

- An application establishes the eligibility but does not provide insurance. You must complete an AD-1026 conservation compliance form with FSA to receive subsidy benefits.

Step 2- Request a quote, include commodity, share, type, target weight, # of head & endorsement length for your typical marketing period.

- Same day quotes are available after the future market closes. Contract prices are typically released around 2:30 MST, Monday-Friday excluding federal holidays.

Step 3- Purchase coverage with a specific coverage endorsement (SCE).

- Type – Steers, Heifers, Unborn etc.
- Target Weight Class- Typical/Expected marketing weight.
- Share %
- # of head (no minimum head requirements)
- Endorsement length, ranges from 13-52 weeks. Not all endorsement lengths are available daily.
- Coverage Price-Changes daily, based on the CME feeder cattle future index.
- Producer Premium-Subsidized between 35-55% based on the coverage level selected.
- Sign, date & return to your agent prior to 7:25 am MST the following day. SCE must be keyed and the signed document received by the insurance provider in order to fulfill the requested contract no later than 7:25 am MST.

Step 4- Collecting an indemnity or paying premium.

- After the insurance period ends, RMA calculates the actual ending values used to determine if a loss occurred and to calculate an indemnity, if applicable. If the 7-day weighted average of the CME cash settled commodity index is lower than the coverage price selected on the SCE, the difference between the two is calculated, premium credited and an indemnity issued to the producer.
- You will receive a pre-printed claim form and instructions following a loss. Return the form within 60 days with required form & proof of livestock ownership.
- Must retain ownership interest of insured cattle 60 days prior to the end contract date.
- No indemnity is due if the actual ending value is greater than the coverage price.
- The price at which your livestock is sold does not affect the loss payment.

Feeder Cattle-Price Adjustment Factors

RMA applies price adjustment factors to the expected ending values, coverage prices, and actual ending values. LRP feeder cattle coverage prices and rates are based on the CME Feeder Cattle contract, which is cash settled to the CME Feeder Cattle index. The CME contract & Feeder Cattle indexes are only based on the price series for steers weighing 7-8.99 cwt.

The Price Adjustment factor is therefore used to calculate expected ending values, coverage prices & actual ending values adjusting for other types and weights of feeder cattle.

Steers Weight 1- 110%
Steers Weight 2- 100%
Heifers Weight 1- 100%
Heifers Weight 2- 90%
Unborn Steers & Heifers- 105%

The LRP program may be suspended if the CME Feeder Cattle futures Daily change exceeds the Daily Price Limit.

Fed Cattle-5 area Weekly Weighted Average Direct Slaughter cattle. Price series is live basis Steers "Over 80% Choice". Eligible cattle are expected to grade select or better with yield grades of 1-3.



Premium is not due until the end of the endorsement period



- Livestock must be owned at the time insurance attaches.
- Livestock that die are still eligible for indemnity if death is reported within 72 hours.
- Only an insured share as an owner of the livestock is eligible for insurance.
- Ownership must be maintained until 60 days before SCE end date.
- Coverage can be transferred to a new eligible owner of the livestock.
- A producer is eligible to receive payments under LRP & benefits for under another USDA program.

HOW IT WORKS FOR FEEDER CATTLE

Producer expects to market 100 head of Steers at 5.99 cwt (weight 1) around mid Nov.

Contract Length- 13 weeks (min length)

Number of Head- 100

Target Weight- 5.99 cwt (Steers W1)

Coverage Price- \$278.08 cwt

Share 100%

Premium- \$5.68 cwt (subsidized @ 35%)

Coverage $\$278.08 \times 5.99 = \$1665.70/\text{head}$

Producer Premium $\$5.68 \times 5.99 = \$34.02/\text{head}$

Indemnity Example

Coverage $\$278.08$, actual ending value $\$268.08 = \$10/\text{cwt indemnity} - \$5.68 \text{ cwt premium} = \$4.32 \text{ cwt (indemnity)} \times 5.99 \text{ (target weight)} = \underline{\underline{\$25.88 \text{ payment per head}}}$

LRP Is...

- ✓ A risk management tool
- ✓ An insurance policy
- ✓ A way to protect against price declines.
- ✓ A way to establish a floor selling price for livestock.

LRP Is Not...

- ☒ A hedging or speculating product.
- ☒ Designed to enhance profit.
- ☒ A guarantee for a cash price received for animals sold.
- ☒ Protection against any peril other than a change in price.



Commodity Insurance is an equal opportunity provider. Some products not available in all states or counties. This is intended as a general description of certain types of insurance and services solely for information purposes.

[illegible]

A background image of a dense field of tall, golden-brown grass or reeds, slightly blurred, with a series of horizontal white lines overlaid for writing.

SCAM ALERT: “PIG BUTCHERING”

HAVE YOU EVER RECEIVED AN UNEXPECTED TEXT OR DIRECT MESSAGE FROM A STRANGER?



DON'T RESPOND!

It might be the first step in a Pig Butchering Scam. Don't be the next victim.

What You Need to Know About a Fast-Growing Scam Known as “Pig Butchering”

This scam is named in reference to the practice of fattening a pig before slaughter. It is a type of confidence and investment fraud in which the victim is gradually lured into making increasing monetary contributions, generally in the form of cryptocurrency, to a seemingly sound investment before the scammer disappears with the contributed monies.

Beware!!! This is how it works:

- **Perpetrators will contact you out of nowhere** via text messages, dating apps, social media platforms, and later switch to VOIP chat applications.
- **Perpetrators will try to develop meaningful relationships with you**, gain your trust, and offer you high-yield investment opportunities in virtual assets, such as cryptocurrency.
- **Perpetrators will tell you to open accounts on online investment websites** and instruct you to deposit money via wire transfer to shell companies, or direct transfers on legitimate virtual asset service providers (VASPs) or cryptocurrency exchanges.
- **Perpetrators will pressure you** to invest more money, or your relationship with them will end.
- **You can be duped and the fraud will end:** When you attempt to withdraw money, websites may demand that you pay additional fees to do so; or you may be locked out of the account and never hear back from the perpetrator. **Perpetrators disappear with all of your funds.**



REPORT: If you suspect you are a victim of a Pig Butchering Scam, notify your bank immediately. Contact your local police department and file a police report. File a complaint on the FBI's Internet Crime Complaint Center (IC3): <https://www.ic3.gov>.



Scan to learn more

A background image of a sailboat on the water, partially obscured by a dense field of tall, golden-brown grass in the foreground. The image is overlaid with horizontal white lines, suggesting a notebook or document template.



THE EFFECT OF STATE AND FEDERAL LIENS ON SECURED LENDING

What Every Banker Needs to Know

Presented by Tracy A. Kennedy, Dakota Law Group P.C.

Agricultural Supplier's Lien

- Who Can File: Any person furnishing agricultural supplies (seed, feed, fertilizer, chemicals, petroleum/fuel).
- Protects unpaid suppliers who provided inputs directly to the producer.
- Filing Requirements:
 - Where: Central Notice System (Secretary of State).
 - When: Within 120 days (150 days for petroleum/fuel).
 - Must state: claimant's name/address, debtor's name/address, description of supplies, amount due, description of crops/products.
- Cite: NDCC §§ 35-31-01, 35-31-02.

Agricultural Processor's Lien

- Who Can File: Any person who processes agricultural products (threshing, combining, harvesting, drying, cleaning).
- Filing Requirements:
 - Where: Central Notice System (Secretary of State).
 - When: Within 90 days after completion of processing.
 - Must state: claimant's name/address, debtor's name/address, nature of processing, amount due, description of products.
- Cite: NDCC §§ 35-30-01, 35-30-02.

Agister's Lien

- Who Can File: Any person who feeds, herds, pastures, or cares for livestock at the owner's request.
- Filing Requirements:
 - Possessory lien: attaches while livestock in agister's possession.
 - To extend beyond possession: may file in Central Notice System.
 - Must state: claimant's name/address, debtor's name/address, description of animals, amount due.
- Cite: NDCC §§ 35-17-01, 35-17-04.

PMSI First Priority Liens

- A purchase money security interest (PMSI) gives special priority to lenders financing collateral acquisition.
- General rule: perfected PMSI in goods has priority over earlier-filed security interests in the same collateral.
- Non-inventory goods: timely perfection (generally within 20 days of debtor's receipt).
- Inventory/livestock:
 - Security interest must be perfected when the debtor receives possession;
 - Secured party must send authenticated notification to all other secured creditors of record;
 - Other secured creditors must receive the notice within a certain amount of time before the debtor receives possession; and
 - The notice must state that the secured party has or expects to acquire PMSI in inventory/livestock of the debtor and the notice must describe the inventory/livestock
- Cite: NDCC § 41-09-44 (UCC 9-324).

Repairman's Lien

- Lien authorized for reasonable charges for repairs/alterations of property
- Filing not required for perfection if in possession of the property; if the possession is relinquished, the person must file a statement in the central indexing system within a certain period of time
- Repairman must give notice to lienholders of record if amount is above certain thresholds
- Cite: N.D.C.C. Ch. 35-13.

Federal Tax Lien

- Arises upon assessment and demand; attaches to all taxpayer property.
- Priority vs. third parties depends on filing Notice of Federal Tax Lien (NFTL).
- Cite: 26 U.S.C. §§ 6321 and 6323; N.D.C.C. Ch. 35-29.

ND State Tax Lien

- Lien for unpaid state income/withholding taxes.
- Attaches to all property and rights to property of taxpayer.
- Perfection: file notice with county recorder (real) or SOS (personal).
- Priority: first in time, first in right, once filed.
 - Exception: future advances
- Cite: NDCC § 57-38-48, § 57-38-49 and § 57-38-51.

ND Child Support Lien

- Lien for past-due child support obligations.
- Attaches to all real and personal property upon filing.
- Perfection: file with county recorder (real) or SOS (personal).
- Priority: generally first in time, subject to statutory exceptions.
 - Exception: future advances
- Cite: NDCC ch. 35-34.

Real Estate Taxes & Special Assessments

- Real property tax lien is perpetual and paramount.
- Lien attaches Jan. 1 following levy year.
- Special assessments become liens upon approval of assessment list.
- Cite: NDCC § 57-02-40; § 57-02-41; § 40-24-01; § 40-24-03.

Setoff

- A security interest in a deposit account is different than the right of set-off.
- If you have a loan to an ag borrower, you should ALWAYS have deposit accounts listed as your collateral in your Security Agreement.
- Generally, a bank with which a deposit account is maintained may exercise its right of set-off against a secured party holding a security interest in the deposit account.
- However, *if the secured party holding a security interest in the deposit account has perfected by control (i.e., has a control agreement), the maintaining bank cannot exercise its right of set-off.* N.D.C.C. § 41-09-60.
- If your borrower files for bankruptcy you will not be able to exercise a right of setoff but you might still be able to freeze the account and make a motion to take the funds in the account because they will actually be your collateral.

Judgment Lien on Personal Property

- Judgment lien does not automatically attach to personal property.
- Lien arises only through levy of execution.
- Sheriff must endorse writ with time and property levied. (NDCC § 28-21-04)
- Levy must be made within 60 days; return within 90 days if unsold. (NDCC § 28-21-07)
- Priority: first levy has priority over later liens or creditors.
- Secured creditors perfected before levy maintain priority, including after-acquired collateral. (NDCC §§ 41-09-37, 41-09-28, 41-09-14)
- To encumber household goods (or other property exempt from execution) via a security agreement (that is *not* a PMSI), both spouses must sign; if only one spouse signs, it is void. N.D.C.C. § 35-01-04.

Judgment Lien on Real Property

- Judgment becomes lien on real property in county upon docketing.
- Attaches to all non-exempt real property, including after-acquired.
- Duration: 20 years unless renewed. (Updated 2025 statutory change)
- Cite: N.D.C.C. §§ 28-20-13, 28-20-13.1, and 35-01-05.2.

Ch. 12 Bankruptcy – Cash Collateral Basics

- Cash Collateral: includes cash, crop proceeds, gov't payments, etc. (11 U.S.C. § 363(a)).
- Debtor cannot use without consent or court order (11 U.S.C. § 363(c)(2)).
- Adequate Protection: creditors protected (often via replacement liens). (11 U.S.C. § 361).

Ch. 12 Bankruptcy – Motion to Sell Crop

- Debtor may seek approval to sell existing crops post-petition.
- Court approval is required unless secured creditors consent.
- Adequate protection usually provided through replacement liens or periodic cash payments.
- Cash collateral orders often include operational budgets.

Ch. 12 Bankruptcy – Replacement Liens

- Replacement liens: creditors granted liens on post-petition crops, livestock, or other proceeds.
- Purpose: to replace value of pre-petition collateral consumed by debtor.
- Ensures secured creditors maintain position despite debtor's use of cash collateral.
- Banker Tip: Expect negotiations early; review terms of replacement liens carefully.



NORTH DAKOTA
BANKERS
ASSOCIATION

2026 NDBA Ag Credit Conference

October 1-2, 2026

Hilton Garden Inn | Fargo ND

Join fellow ag lenders at the **NDBA Ag Credit Conference** to hear from experts and build relationships with your peers. This training will help experienced and new ag lenders better serve their ag customers.



Farm Loan Programs | October 2, 2025

NDBA Ag Credit Conference FSA Update

Holly Heimark, Farm Loan Specialist
701-893-2209
Holly.Heimark@usda.gov



FARM PRODUCTION AND CONSERVATION
FSA | NRCS | RMA | Business Center

FY 2026 FSA FARM LOAN Information

- Guaranteed Loan Limit = \$2,343,000 (up from \$2,251,000) effective October 1, 2025
 - 2026 FSA Planning Prices – (1st Year Plans) will be emailed. Long Range Prices will be provided in January.
 - **Annual Guaranteed Lender Training** (required) – via TEAMS – Nov 5, 2025 10:00 am – 11:45 pm Central Time
 - Guaranteed Loan Updates
 - Direct Loan Options
 - Environmental Requirements
 - **New Guaranteed Lender Training** (optional) – via TEAMS – Nov 5, 2025 12:00 pm – 1:00pm Central Time
 - General Loan Making & Loan Servicing
- Look for TEAMS Calendar Invite in your email.***
- Regular Status Reports effective Sept 30, 2025 are due by Oct 30, 2025 – forms will not be mailed!

FLP Staffing

ND Farm Loan Staff ↓ 28% from this time last year!

Lenders can assist FSA by:

- Sharing info with county office (prepared balance sheets, cash flows, actuals, debt verifications, etc.) for joint financing or Subordination requests
- Submitting Guarantee requests at the same time as the Direct loan request (reduced processing for FSA)
- Not submitting Guarantee requests until ALL required documentation is available
- Ensuring the information on the application and in the Lender Narrative match
- Ensure the Lender Narrative contains all required elements as outlined in Exhibit 4.5 of 2-FLP
- Submit requests for annual operating and Subordinations as early as possible!

REMINDER: All term loan requests require a 1st year **and** Typical year cash flow plan.

2-FLP Collateral updates

Updates **Adequate** and **Additional** security definitions.

- Increases responsibility of the lender
- Removes minimum and additional security definitions
- Based on lender internal lending policy for similar non-guaranteed loans

Adequate Security: Loan amount \leq security amount

Additional Security: Any amount above adequate that is required by the lender, if additional security is available.

***85% LTV** is required if one or more items are in a junior lien position for adequate security (Par. 166B)



2-FLP Collateral updates – continued

*NEW Lender Narrative Requirement

- SEL/CLP must provide documentation within the Lender Narrative on how security meets internal policy
- PLP must document in Narrative how security meets requirements based on approved CMS

Lender Reviews

Routine lender reviews will be conducted on a **less frequent schedule**

- *Agency officials retain the ability to conduct lender reviews more frequently if deemed necessary*

For SEL and MLP Lenders:

- FSA will review **20 percent** of the lender's outstanding guaranteed borrowers **every three years (previously every OTHER year)**

For CLP and PLP Lenders:

- FSA will review **20 percent** of the lender's outstanding guaranteed loan borrowers, up to a maximum of 50 borrowers, **every five years (previously every OTHER or every three years)**

FY 2026 FSA FARM PROGRAM REMINDERS

- Marketing Assistance Loans – short term loans, up to 9 months on harvested commodity. MAL's are provided by the Farm Service Agency to help agricultural producers manage cash flow and marketing flexibility during harvest time.

Eligible commodities include:

Barley	Canola	Chickpeas (large and small)	Corn	Crambe	
Dry Peas	Flaxseed	Grain Sorghum	Honey	Lentils	Mohair
Mustard Seed	Oats	Peanuts	Rapeseed	Rice	Safflower Seed
Sesame Seed	Soybeans	Sunflower Seed	Wheat	Wool	

FY 2026 FSA FARM PROGRAM REMINDERS - continued

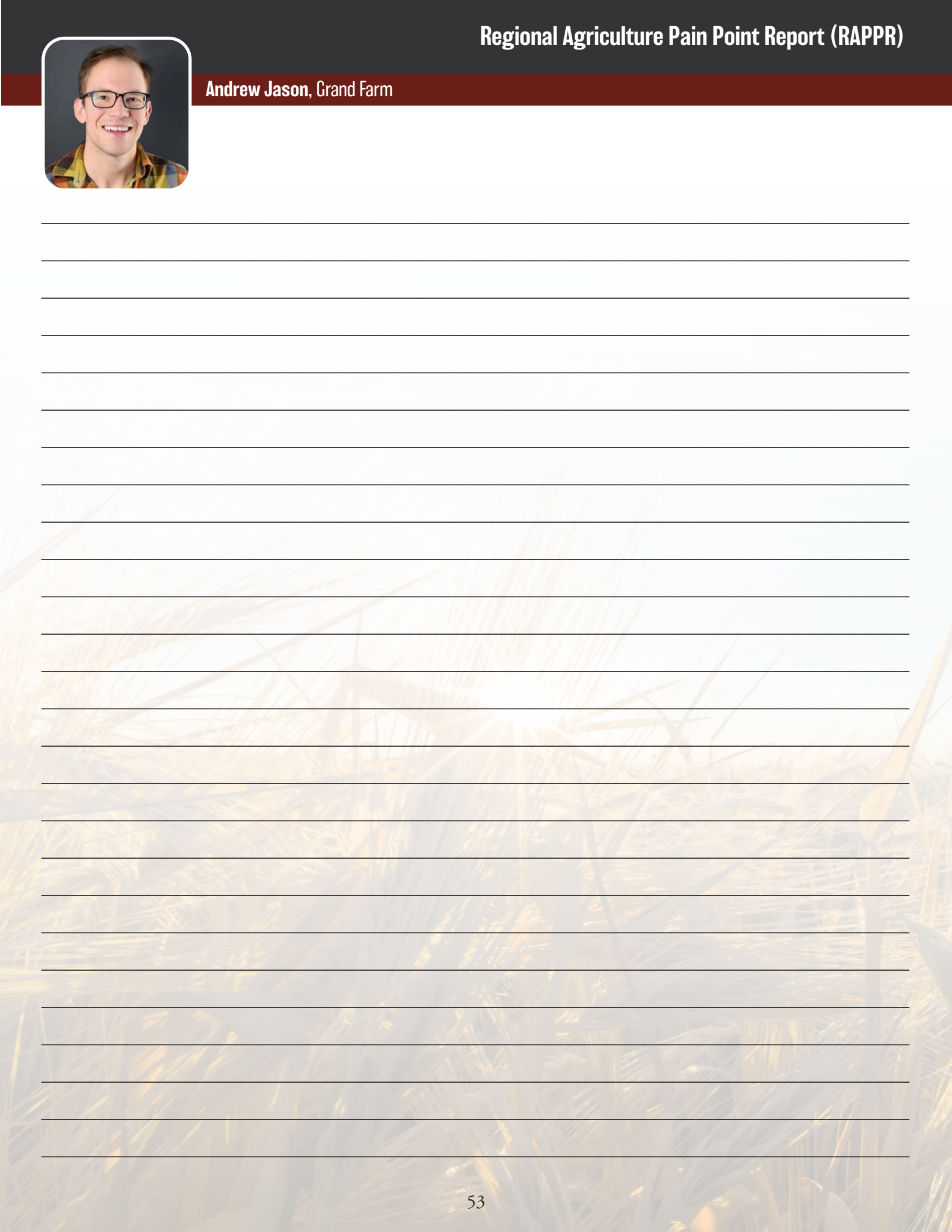
- Supplemental Disaster Relief Payments – SDRP Stage 2 – signup targeted to begin in October 2025 – for losses occurring in 2023 or 2024.
- ARC/PLC Payments – For production year 2024 – Payments Oct/Nov 2025
- CRP Payments – Payments Oct/Nov 2025

NATIONAL SCHOOL FOR BEGINNING AG BANKERS

BLACK HILLS STATE UNIVERSITY | SPEARFISH, SD

JUNE 22-25, 2026







Regional Agriculture Pain Point Report (RAPPR)

Andrew Jason, Grand Farm

A background image of a field of tall, golden-brown grasses or reeds, slightly blurred, with a light blue sky visible in the upper portion. The image is oriented horizontally and serves as a decorative backdrop for the text.

UPPER MIDWEST

REGIONAL AGRICULTURE PAIN POINT REPORT

FOURTH EDITION | JUNE 2025



GRAND
FARM



FARMS
NSF AgTech Engine in North Dakota

1

PEST MANAGEMENT

WHY IT MATTERS

Pests—especially herbicide-resistant weeds, emerging crop diseases, and hard-to-predict insect outbreaks—are increasing in both frequency and cost. In 2022 alone, growers in the region spent \$2.88 billion on crop chemicals, a 37% increase from 2017¹. Many of these treatments have narrow application windows, rising resistance, and limited long-term effectiveness, putting growers in a reactive and expensive position each season.



KEY CHALLENGES

- ▶ Weeds, insects, and diseases evolving resistance
- ▶ Inefficient and costly crop scouting
- ▶ Few remediation options once pests establish
- ▶ Precise applications required, but hard to achieve

SCOPE OF OPPORTUNITY

Crop pests are the chief concern for nearly all growers. New crop threats are on the horizon and rapid innovation is needed to keep growers ahead of the curve.

Developing new tools for integrated pest management that address these key challenges could greatly impact farm finances.



DID YOU KNOW?

Herbicide resistant weeds can drastically reduce crop yields. Palmer Amaranth has shown to reduce yields in corn by 91% and soybeans by 78%.²



¹Source: USDA 2022 Farm Census

²Source: NDSU Extension

2

AGRICULTURAL EQUIPMENT DEVELOPMENT

WHY IT MATTERS

Agricultural equipment is evolving, but many growers face high costs, poor access to service networks, and tools that aren't designed with their needs in mind. Meanwhile, digital tools come with cybersecurity risks and unclear data ownership, leaving many hesitant to adopt. Layer on top of this a persistent labor shortage, and the farms of today can't take advantage of modern equipment and practices.



KEY CHALLENGES

- ▶ High equipment and repair costs
- ▶ Cybersecurity risks in digital agriculture infrastructure
- ▶ Unclear ownership of farm data
- ▶ Limited access to early-stage technology and drones
- ▶ Labor shortage and limited skilled workforce

SCOPE OF OPPORTUNITY

The region's predominantly rural agricultural communities often sit at the end of the road when it comes to accessing technology and infrastructure. This phenomenon tends to lead to high costs, poor service availability, and a lack of skilled laborers when technologies and inputs do arrive.

Targeted investment in this area could help work to bring down barriers to technology adoption and aid growers in meeting their labor needs.



DID YOU KNOW?

Farms in the Upper Midwest spend over \$2.4B on labor each year, yet 54.76% of hired workers are seasonal (under 150 days), and 56.42% of all laborers are unpaid.¹

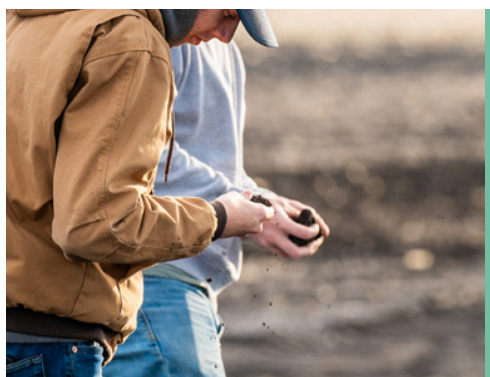


¹ Source: USDA 2022 Farm Census

3 SOIL HEALTH

WHY IT MATTERS

Nutrient depletion and erosion are longstanding concerns across the Upper Midwest. Fertilizer costs are up, runoff regulations are tightening, and growers face conflicting messaging on practices like cover crops and no-till. At the same time, carbon markets tied to soil practices are difficult to navigate and often undervalue grower contributions.



KEY CHALLENGES

- ▶ Nutrient loss and rising input costs
- ▶ Confusing and inconsistent carbon programs
- ▶ Lack of infrastructure for cover crops or livestock integration
- ▶ Pressure to adopt no-till despite practical constraints
- ▶ Erosion concerns from wind, water, and tillage

SCOPE OF OPPORTUNITY

Soils are the foundation of a crop's success. Growers take extensive care to address the gaps and needs that are expressed in their fields; however each year that task gets harder and more expensive.

Innovators hoping to solve challenges around soil health have the potential to help ensure growers have long-term sustainability for their soils and potentially provide new revenue sources through financial incentives.



DID YOU KNOW?

Cultivated lands in the Upper Midwest region see an annual loss of 3-5 tons of topsoil due to erosion.¹



¹ Source: NDSU Extension

4

SITE-SPECIFIC CROP MANAGEMENT

WHY IT MATTERS

No two fields are alike, but most tools still treat them that way. Growers face information gaps in monitoring plant health, nutrient needs, and ideal application timing. Many management decisions are made using broad estimates, resulting in missed windows, wasted inputs, and yield losses. While precision agriculture tools exist, they're often too expensive, incompatible with older equipment, or hard to implement.



KEY CHALLENGES

- ▶ Limited visibility into plant health and nutrient use
- ▶ Guesswork in timing critical applications
- ▶ High cost or tech barriers for precision agriculture
- ▶ Poor traceability of commodity crops in bulk systems

SCOPE OF OPPORTUNITY

Each year growers attempt to maximize efficiency and profitability on every acre. Until recently the tools and methods to do that effectively haven't been available. Even with new technologies being utilized, challenges remain in ensuring that inputs, time, and efforts are spent without waste.

New tools and technologies can ensure that growers have the ability to get the most out of their acreage.



DID YOU KNOW?

In the Upper Midwest region, over 9 million acres are irrigated with that number growing each year.¹



¹ Source: USDA 2022 Farm Census

A background image of a field with tall, golden-brown grasses and a small, dark, triangular structure in the distance under a light blue sky. The image is oriented horizontally but appears to be a vertical photograph rotated 90 degrees clockwise. The grasses are dense and reach towards the top of the frame. The structure is a small, dark, triangular shape, possibly a tent or a small building, located in the middle ground. The sky is a pale, clear blue. The overall composition is simple and serene.



Ag with Emma

Agriculture Advocate, Farm Hand,
Influencer

SIGNATURE CONTENT

Emma is currently a farmhand in North Dakota with a social media following of over 650,000 across all platforms. As an Idaho native, her journey and influence in agriculture has traveled around the globe. She specializes in drone content, harvest videos, educational content, and more, bringing a wide variety of possibilities to advertise for your brand.

- ✓ POV Videos
- ✓ Short Form Weekly Recaps
- ✓ Drone Videos
- ✓ Favorite Gear to Wear
- ✓ Long Form Educational Videos
- ✓ Mental Health Advocacy

How Young Voices in Agriculture are Growing Impact and Income



Emma Seamons, @AgwithEmma

TOP 10 PRACTICES OF THE WORLD'S BEST

1 GET GRITTY

The world's best know what they want and why they want it. In face of adversity and set-backs, they go after their goals with deep commitment.



2 GET CLEAR ON YOUR PURPOSE

The world's best know why they do what they do. They keep their "why" front and center. This purpose keeps them motivated and hungry when the going gets tough.



3 MASTER YOUR THOUGHTS

The world's best are intentional with their self-talk. They exhibit powerful, positive, and possibility-oriented thoughts focused on the process.



4 KNOW YOURSELF TO MASTER YOURSELF

The world's best understand themselves, their tendencies, and are in-tune with their thoughts, emotions, and actions. They know themselves to be successful.



5 DOMINATE THE CONTROLLABLES

The world's best dominate what they have control over - their attitude, preparation, and effort - instead of what they cannot.



6 OWN THE MOMENT

The world's best stay present moment focused. They recognize that they can't control the past or the future but they are empowered to reach their highest potential when they are engaged in the present.



7 CHOOSE EMPOWERING EMOTIONS

The world's best thrive because they regularly experience positive emotions. They know that when people experience 3 positive emotions to every 1 negative emotion, they flourish.



8 OWN WHO YOU ARE

The world's best make the conscious choice to show up as themselves every day and in every interaction. They know who they are and own who they are.



9 LIVE AND LET GO

The world's best know that people are not perfect. They are kind to themselves, let go of their mistakes quickly after learning from them and decide to live life full-out.



10 CHOOSE YOUR COURAGE ZONE

The world's best feel uncomfortable regularly. When we stay in our comfort zone, we don't grow. High performers know that magic happens outside of the comfort zone.



To learn more about the world's best, visit **BEYONDGRIT.COM**

To start working with Dr. Kamphoff, visit **CINDRAKAMPHOFF.COM**



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Bank Security Seminar

October 7, 2025 – Holiday Inn Bismarck

October 8, 2025 – Holiday Inn Fargo



New! ABOUT THE PROGRAM

Enhance your organization's security with training that's practical and addresses what works for real people under highly chaotic and potentially dangerous circumstances. If you are going to assign the responsibility of keeping people secure, it's critical those trained be highly skilled in security and true leaders. Learn how to create a culture that supports employee and customer security.

Commuter Safety and Security

Many bank security classes cover employee safety while at work and policies and procedures for keeping the building secure. But what if the most dangerous part of your day is the commute from your house to the work parking lot? Learn what to look for to avoid and respond to crimes like carjacking, car theft, robbery, abduction and others.

Realistic Self-Defense

Bank security programs tend to discuss avoidance, compliance, and reporting procedures. However, employees may be assaulted and many times they don't realize they're allowed to defend themselves if necessary. Learn practical and effective solutions that do not rely on techniques taught in a martial arts setting. These tips will be provided while participants are seated and are designed to be thought-provoking and empowering.

Video Debriefs

Learn from videos that show incidents of carjackings, robberies, thefts, pickpockets, abductions, and other crimes. We will watch the videos, debrief them, and discuss what could have been done differently. In doing so, we will trick our minds into believing we've experienced more incidents than we have.

Criminal Mind

Learn how criminals choose victims, what they look for, and how to avoid being chosen in the first place.

Security Assessments & Training

Learn what banks are doing, what works, what does not work, and what we need to do to change the culture of the organization from the top down. Attendees will receive a security assessment form created by Hileman Security Training Group to conduct their own assessments.

Comments from previous attendees...

"One of the best seminars I have ever attended."

"Impressed with Joe's phenomenal presentation!"

"Great approach to bank security."

TWO LOCATIONS

Holiday Inn Bismarck – Oct. 7

3903 State Street

Phone: 701-751-8240

Room block release: Sept. 16

NDBA rate: \$119

Holiday Inn Fargo – Oct. 8

3803 13th Ave S

Phone: 701-282-2700

Room block release: Sept. 16

NDBA rate: \$121

TRAIN YOUR TEAM

Security officers/ directors, operations managers, auditors, HR directors, legal staff, loan officers, disaster recovery managers, collection staff and fraud investigators are invited.

Save when you register multiple team members!

SCHEDULE

8:30 – 9:00 am Registration and Continental Breakfast

9:00 – Noon Program

Noon – 1:00 pm NDBA Hosted Luncheon

1:00 – 4:00 pm Program

REGISTRATION

Save when you register multiple team members!

	<u>By 9/16</u>	<u>After 9/16</u>
Member Registration	\$290	\$325
Each Additional Registrant	\$220	\$250
Non-Member Registration	\$390	\$435
Each Additional Registrant	\$320	\$355

ABOUT THE PRESENTER



Joe Hileman, president and founder of Hileman Security Training Group, retired after 20+ years in law enforcement. He served as assistant team commander of a regional special response SWAT team and as a police detective and has extensive experience in drug investigations and undercover operations and as a field training officer and threat assessment specialist. Prior to his career in law enforcement, Hileman served as security supervisor at the corporate management level of a Fortune 500 company.



Jason Henderson, Iowa State University

"THEY MIGHT NOT" MOMENTS

C - CHALLENGE THE ASSUMPTIONS

A - ASK QUESTIONS

L - LISTEN

M - MAKE SURE YOU ARE
ACTUALLY LISTENING!

They Might Not be Crazy: Working with People You Disagree With (And Might Not Even Like)



Dallin Cooper



North Dakota Bankers Association

122 E Main Ave., Suite 201

PO Box 1438

Bismarck, ND 58502-1438

701.223.5303

www.ndba.com