

Tri-State Agriculture Lenders Seminar, 2017

A.S. Leaflet R3245

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Summary and Implications

Educating Agricultural Lenders on Risk Management as it relates to a Dairy Farm has economic implications for loan success and dairy farm profitability. Due to demand from Agricultural lenders, the 31st Annual Tri-State Agricultural Lenders Seminar was held in Dubuque, IA to increase understanding and management of commodity prices and market risk. One hundred seventy lenders and media personnel attended the seminar. Pre-post evaluations showed knowledge learned in all subject matter areas, with lender's personal comments showing individual impacts as well as the success of this program and continual need in the future.

Introduction

Educating Agricultural Lenders on Risk Management as it relates to a Dairy Farm has economic implications for loan success and dairy farm profitability. Lender surveys have determined the importance of an annual update for Agricultural Lenders. ISU Extension and Outreach Dairy Specialists understand the need for dairy producers to have lenders who understand their business as it increases their ability to succeed on the farm. Each dairy cow and each dairy farmer is important to the local business community and the local community at large.

Materials and Methods

Due to demand from Agricultural lenders, the 31st Annual Tri-State Agricultural Lenders Seminar was held in Dubuque, IA to increase understanding and management of commodity prices and market risk, including milk, corn, soybeans, beef and hogs as they are the major enterprises on a dairy farm. In addition, Farm Performance Benchmarking; Understanding Better P&L Diagnostics, Farm Financial Health Situation & Land Price Outlook; and Dairy Production Systems Profit Performance were also sought after topics on the lenders agenda. Presentations were created and delivered on each of the major enterprises and topics.

Results and Discussion

One hundred seventy lenders and media personnel attended the seminar. 85 responded to a post-pre survey regarding their level of knowledge increase on a scale of 1

to 10 with 1 being little knowledge and ten being great knowledge. Respondents shared their increase of knowledge from before and after the seminar to be as follows for each of the topics presented.

1. Dairy Marketing and Risk Management	+1.78
2. Dairy Production Profit Performance 2016	+1.62
3. Farm Financial Health & Land Price Outlook	+1.44
4. Understanding Performance Benchmarking /P&L Diagnostics	+1.56
5. Grain and Livestock Marketing and Risk	+1.80

Comments from Lenders: Very informative! Always look forward to attending. Great speakers. Professional outlook. Quality of information. Understanding dairy marketing. The timeline and quality of presentations. Speakers – nice job! earning current market & price trends. Up to date on land values, performance, data, etc. Touch on all markets. I enjoyed the variety of speakers. Handouts for later review. Speaker variety. Great speakers (x12). I enjoyed it, thanks. Benchmarking. Grain & Livestock outlook. Grain & Livestock marketing (x6). Land price. Farm Financial Health Situation & Land price (x3). Relatively short day with a lot of information. Talking about all facets of Ag industry. Very knowledgeable presenters. The Dairy Production Profit Performance 2016. Love that you include Organic! Really all was good. Current information regarding markets. Networking & outlooks. The knowledge of speakers. Very good presenters. Variety of speakers (x4). Handouts. Metrics and benchmarks (x4). Performance measures. Market outlook on dairy. Excellent. Understanding Farm Financial Health. Talking about livestock & ethanol.

This seminar is important due to the increased ability of lenders to manage portfolio risk and making informed choices about new ways of doing business. For example, lenders are shy about lending to organic dairy farmers. Information learned increased their comfort level to working with that specific dairy production system. Feed prices for corn and soybeans heavily impacts the profits of dairy producers. Being better able to assist producers manage that risk and even forecast needs to make timely purchases or "lock-in" feedstuffs can often assist a farm weather high feed price years. Again, public value for each cow annually is \$34,500, according to WI data. Each dairy cow and every dairy farm that lenders can assist keeping in business has some serious economic development implications for a community.