

# Fence Lines

Fall 2017

Volume: 20 Issue: 4

Published by: WESTERN *AgCredit*



## Board of Directors

**Scott Wayment**, Chairman  
Warren, UT

**Ted Andrew**, Vice-Chairman  
Trenton, Utah

**Shirelle Erb**, Outside Director  
Salt Lake City, Utah

**LaDell Eyre**, Outside Director  
Cedar City, Utah

**Kim Haws**, Member Director  
Newton, Utah

**Kelly Heaton**, Member Director  
Santa Clara, Utah

**Robert Johnson**, Member Director  
Randolph, Utah

**Richard Nielson**, Member Director  
Ephraim, Utah

**Wayne Smith**, Member Director  
Cedar City, UT

**Bill Wright**, Member Director  
Holden, UT

## Branch Locations

**Logan**, Utah: 435.752.2146

**Tremonton**, Utah: 435.257.0179

**Evanston**, Wyoming: 307.789.9420

**Roosevelt**, Utah: 435.722.4076

**Spanish Fork**, Utah: 801.798.7360

**Delta**, Utah: 435.864.2314

**Richfield**, Utah: 435.896.8407

**Cedar City**, Utah: 435.586.6575

We'd love to hear from you!  
Please send story ideas, comments,  
questions or suggestions to:

Western AgCredit  
c/o Sarah Witt  
P.O. Box 95850  
South Jordan, UT 84095-0850

[sjw@westernagcredit.com](mailto:sjw@westernagcredit.com)



[www.westernagcredit.com](http://www.westernagcredit.com)

# FenceLines

Fall 2017



Cover Photo: Cows on the Castle Rock Ranch in Summit County. Castle Rock Ranch is part of The Ensign Group.

3 | President's Message

4 | Association News

6 | Introducing the AgFuture Program

8 | Prepared for the Deal

The Ensign Group Manages over 1,000,000 acres of ranching property and 11,000 head of cattle.

11 | Harry Papageorge Wins 2017 Klussendorf Award

12 | Raising the Next Generation: The Future of Your Farm

14 | Western AgCredit Gives Back

15 | Laughing Pen

*FenceLines is published for the reading enjoyment of customers and friends of Western AgCredit. Efforts are made to ensure the accuracy and completeness of information printed. However, the Association assumes no liability for inadvertent or unintended errors or inaccuracies. Servicing the Intermountain West since 1917, customer service is our commitment.*

# Dear Western AgCredit Stockholders & Friends,



Fall is my favorite time of year, but this year it has seemed a bit short! Where I live, the temperatures changed almost overnight and frost was on the windshield and snow in the mountains by mid-September. Nevertheless, I always welcome the change in seasons, even winter. Having defined seasons is truly one of the blessings of living in the Intermountain West.

One of the other blessings of fall is watching the harvest take place, the cattle being rounded up in the mountains, and sharing in the satisfaction that customers feel as they tally up inventories, settle up on expenses and begin to measure their financial results for the year.

Having become much more savvy with social media over the years, I enjoy seeing pictures that many of you post on Facebook and other media sites spending time out in the fields with your families and in the mountains doing what you love most. That is the lifestyle that Western AgCredit thrives on supporting and we plan to help perpetuate for many generations to come. Western AgCredit exists to support agriculture and rural America, period. That is both our Mission and our focus.

Speaking of generations to come, as we plan for the future, we are continually looking for ways to sustain agricultural production and promote the rural lifestyle. In this issue, you will read about a new program at Western AgCredit called AgFuture. This program was developed to assist the rising generation with getting started in or continuing the legacy of production agriculture. AgFuture offers the opportunity to earn interest rate reductions by participating in continuing education offered by Western AgCredit and other industry sources. We believe in the value of education and training, combined with a heavy dose of practical experience, to provide the best chance for success. Please take the time to read about the program and get started reaping the benefits!

While 2017 has been a bit sobering with regards to some segments of the ag economy, we have never been more determined to help each and every customer achieve the "best possible outcome" in their business endeavors. Our loan officers stand ready to help you measure your financial results, discuss options to fortify your business plan and operations, and implement financial solutions that best fit your situation.

With the accelerated number of natural disasters of late, it has been heartbreaking to see the impact on communities, families and businesses. Recently, we had a storm come through our small community and cause injury to a few of our dairy cows. As we nursed them back to health, we talked about what it would be like to have a hurricane or fire impact the whole herd, such as happened in Texas, Florida or California. It is hard to imagine the hardship they have experienced.

As the Thanksgiving holiday approaches, let's take the opportunity to reach out to those less fortunate and extend a hand of support and fellowship. I know that many of you have already taken that opportunity and felt the blessings that come from it.

As we look toward 2018 with optimism and hope, let's find new and better ways to work together to support agriculture and our rural communities. As Thomas Jefferson stated, "Agriculture is our wisest pursuit, because it will in the end contribute most to real wealth, good morals, and happiness." There is no doubt in my mind as to the truth of that statement. Best wishes through the remainder of 2017!

Respectfully,

**David Brown, President**

# Western AgCredit is Pleased to Welcome...



*Rainette Goold*  
**Branch Secretary-Richfield**

We would like to welcome Rainette Goold to the Western AgCredit team as the new branch secretary in Richfield! Rainette is looking forward to the opportunity her new position will give her to get involved in the ag community.

Rainette has worked in the medical field as a secretary and in medical

transcription, as a loan secretary and as an office manager. She has also completed computer and secretarial secondary education classes.

Rainette and her husband have four children and 11 grandchildren. Originally from Salt Lake City, Rainette now lives in Richfield. She enjoys running, traveling and spending time with her family.

*Robbie Masterson*  
**Loan Officer-Cedar City**

We'd like to welcome Robbie Masterson as a new loan officer in the Cedar City Branch. Robbie is excited about the opportunity his new position will give him to learn more about ag lending and to work with farmers and ranchers to achieve their goals. He's also excited to be in his hometown.

Robbie is a graduate of Southern Utah

University where he studied agriculture sciences and industries and minored in accounting. During college, Robbie worked for the university ranch.

Originally from Cedar City, Robbie and his wife, Candice, live in Kanarrville. In his free time, Robbie enjoys hunting, fishing, archery, four-wheeling, snowmobiling, operating equipment, riding horses with his wife and giving a helping hand to local farmers and ranchers.



## \$200 Gift Card Winner Announced

Western AgCredit is pleased to congratulate Vern Stewart on winning the third quarter's \$200 gift card. He was randomly selected from the surveys returned.

To be eligible to win this quarterly drawing, customers must complete the survey received in the mail after renewing a current loan or getting a new loan. If you choose to include your name on the survey, you'll be eligible for our quarterly drawing for a \$200 gift card.

We value your business and appreciate your feedback. We want to ensure that we are meeting your needs and exceeding your expectations.

Receiving your feedback shortly after you've completed your transaction allows us to make adjustments to business practices in a timely manner. The survey is brief and should take no longer than 10 minutes to complete. We'd like to thank you in advance for completing the survey.

# Customer Appreciation Barbecues: Thank You for Joining Us!

August 2017 marked the end of another barbecue season. For those of you that came, we'd like to say thank you! We'd also like to extend a special thanks to those that braved the torrential rain and winds for the third year in a row in Cedar City. Luckily, the weather at the other nine barbecues cooperated!

We recognize the summer months are hectic, and we appreciate you taking the time to come and share a meal with us. Thank you for your business and we look forward to serving you again in the years to come. Below are some pictures taken during this year's barbecue season.



## Whistle Blower Notice

Western AgCredit provides its stockholders, employees or the general public with the opportunity to utilize a "Whistle Blower Program" (WBP). The WBP can be accessed using the Association's website ([www.westernagcredit.com](http://www.westernagcredit.com)) or by telephone on either an anonymous or a known basis. A partial list of examples of transgressions that may result in a WBP contact being initiated are: complaints regarding accounting

practices, internal accounting controls or auditing matters, violation of any law, inappropriate operating practices of any type, etc. WAC pledges that any individual utilizing the WBP will not encounter any form of retaliation from the Association. Direct phone contact can be made by calling the Audit Committee Chairman LaDell Eyre at 435-865-5866, or Board Chairman Scott Wayment at 801-731-1531.

**WESTERN AGCREDIT IS PLEASED TO INTRODUCE**

# The AgFuture Program



**AGFUTURE OFFERS INTEREST RATE REDUCTIONS TO YOUNG, BEGINNING AND SMALL BORROWERS FOR PARTICIPATING IN EDUCATIONAL OPPORTUNITIES.**

**W**estern AgCredit is pleased to announce the launch of the AgFuture Program. The purpose of this program is to help young, beginning and small producers by offering interest rate reductions for participating in educational opportunities.

“The AgFuture program is part of a larger commitment by Western AgCredit to the next generation of farmers and ranchers in our service territory,” said Western AgCredit’s President David Brown. “We are pleased to offer interest rate reductions to young, beginning, and small farmers who recognize the value of continuing education and are committed to learning the principles and practices that will give them the best opportunity for success in business.”

Eligible individuals can earn the following interest rate reductions:

**Tier 1: A .25% reduction for completing the course “Borrowing Basics” through our online learning modules or in person, when offered.**

**Tier 2: Participate in three additional courses (within two years) offered by Western AgCredit or others to earn an additional .50% reduction. (Courses need to**

be offered through cooperative extension, commodity groups, other professional organizations or approved by Western AgCredit. Courses must be directly related to business or production agriculture. College courses completed for obtaining a degree are ineligible. Additional courses must be taken AFTER applicant registers for the online AgFuture portal on Western AgCredit’s website and complete Borrowing Basics.)

## **Eligibility**

To be eligible for the AgFuture Program, applicants must qualify in at least two of the following categories.

- Young:** Applicant is age 35 or younger on the date the loan is originally made.
- Beginning:** Applicant has less than 10 years of farming/ranching experience.
- Small:** Applicant normally generates less than \$250,000 in annual gross sales of agricultural products.

Only new loans or refinances with a qualifying borrower joining the customer complex are eligible (subject to Western AgCredit approval). Program participants must be individually liable or a partial

owner of a borrowing entity and actively participating in daily operations and management decisions. AgStart customers are ineligible.

## Program Terms

The rate reduction(s) will be applicable for a maximum of five years after Tier 1 eligibility is achieved. There is a program cap of \$500,000.00 per customer (outstanding principal and available commitment) that will be eligible for a rate reduction.

Non-customers are eligible to enroll and work toward eligibility for future rate reductions. Participation in the program does not guarantee future loan approval. Final loan approval is subject to eligibility and compliance with Association Lending Standards. If you have eligibility questions, please contact your local branch.

Young, Beginning, and Small Farmers are important to the future of agriculture, and Western AgCredit is committed to providing them a source of constructive, competitive credit. The AgFuture program helps young, beginning and small farmers obtain the constructive credit needed to get started in agriculture.

To register for the program, take the “Borrowing Basics” course and start tracking your education credits, visit us at [www.westernagcredit.com/agfuture](http://www.westernagcredit.com/agfuture). You do not have to be a current customer to start earning a future interest rate reduction. If you have questions on the program, please contact your loan officer or call your local branch.

We are excited for the benefit this program will bring to our young, beginning and small borrowers and look forward to enrolling current and future borrowers to start earning their educational rate credits.

# Farm Credit Fly-In

In July, Western AgCredit’s Board leadership, president and marketing and communications director went to Washington, D.C. for the Farm Credit Fly-In.

Advocating for the importance of the Farm Credit System and farmers and ranchers in Utah was on the agenda. It’s important that our representatives in Washington, D.C. understand the important role agriculture plays in the state.

In the current political environment, it is also essential that they understand the importance of the Farm Bill and the important role it plays in agriculture. During their visits, they were able to meet personally with Mia Love and she was very interested in learning more about the regulations that are overly-burdensome and get in the way of productivity. These annual trips help us maintain dialogue with those representing all of us.



*Senator Hatch’s office*



*Pres. David Brown (center) with Director Ted Andrew and Director Shirelle Erb*



*Western AgCredit Representatives with Mia Love*



Chris Robinson, Jeff Young and Alex Robinson in a newly seeded pasture.

# PREPARED FOR THE DEAL

*The Ensign Group manages over 1,000,000 acres of ranching property and 11,000 head of cattle.*

With large ranch holdings in Tooele, Summit, Millard, and Box Elder Counties, The Ensign Group manages one of the largest private-land holdings in the state.

Chris Robinson is the CEO of The Ensign Group. He, his siblings Alex and Victoria, and the Freed family own or hold grazing permits on over one million acres of private and public land.

Along with the Utah holdings, The Ensign Group also has property in Idaho. The Arimo Ranch traces its roots back to Chris, Alex, and Victoria's father, David A. Robinson. A newspaper man by trade, David worked for the Deseret News, but he loved ranching. As a youth, he spent time working on his uncle's ranch in the Uintah Basin. In 1944, he bought a ranch in Arimo, Idaho with his brother Brigham. Four years later, he quit his job as editor of the Deseret News and founded the Pocatello Post, a daily newspaper which a few years later he merged with another paper that became the Idaho State Journal.

David turned his focus from the news to investing in additional ranch property in the early 1950s, which he did in partnership with David Freed and Ken Garff. After David's passing in 1986, Chris and his siblings decided to stay in the ranching business with their father's best friend and business partner, David L. Freed. Dave Freed served as a great example in many ways to the Robinson siblings. Early in his career and after his father's early passing, Dave Freed worked to keep his three brothers together as business partners. David Robinson instructed his children to "stick together and look to Dave [Freed] if something ever happens to me." The Robinsons have taken their father's advice to heart and continue to work together to build the family's ranching business.

Raised in the city, Alex and Chris Robinson spent summers working on the Idaho ranch. Today, they leave the daily work of running the various ranches to their employees and ranch managers, all under the very able direction of General Manager Jeff Young. "I spend a lot of time on



transactions and special projects, and Jeff is over all of the operations. He's the one that integrates it all and makes it all work," said Chris.

Jeff Young started running the Arimo Ranch in 1993. "He applied to our search, and we wound up making him the general manager of the Arimo Ranch; as we added more ranches, he continued to take on more," said Chris.

Today, Jeff oversees management of all of the ranches. "We're running just about 11,000 mother cows. There are three operating units now. Starting from the south is Pahvant Ensign Ranches," said Chris. "Ensign Ranches of Utah covers Tooele and Summit Counties, and we have Arimo Cooperation which has our Rosebud Ranch in Box Elder County and the Black Pine and Arimo Ranches in Idaho."

When asked why The Ensign Group focuses on purchasing ranching properties, Chris said, "I like real estate. The nice thing about these ranches is the main inputs are rain water and sunshine, and normally those are free and they are sustainable. These ranches hold their value, they appreciate, and they give us the opportunity to create long-term value by developing them."

Chris thrives on finding properties and negotiating purchases, and he has a keen mind for business. For example, in the late 1980s, the Robinsons purchased Beaver Creek Ranch north of Idaho Falls. It was 5,600 irrigated acres with 33 pivots and 11 homes. "We sold Beaver Creek a year later for double," said Chris. "It was our first big deal and gave us some working capital. We didn't have much money to work with before that. We started developing real estate behind the State Capitol and buying and selling ranches."

A few times during his career, Chris has found buyers for a portion of the property he is purchasing before the

closing is complete. He has then organized double escrows to sell a piece to cheapen up the purchase. In 2015, they purchased the White Sage Ranch (now known as Pahvant Ensign Ranches) located in Millard, Sevier, Beaver, and Piute Counties. "We spent a lot of effort creating a double transaction where we found a farm buyer to purchase the 5,500 acre farm, which we didn't want, thereby allowing us to be able to afford to purchase the ranch portion which includes 69,000 deeded acres, 4,500 head of various classes of livestock, and grazing permits on 415,000 acres," said Chris.

These complex transactions have helped The Ensign Group achieve what they have today. "If you can buy the ranches right, it works. It's all about the buy side because you can't overcome a bad purchase; the ranches have been a good, solid assets for us," said Chris.

Once the ranch is under The Ensign Group's holdings, they look for ways to improve the property so that it is producing at optimal levels. For example, on the Castle Rock Ranch, which is part of Ensign Ranches of Utah and is located in Summit County, they've been working on water projects, reseeding and established conservation easements to ensure the ranch will never be fully developed.

A recent project at the Castle Rock Ranch increased productivity in one pasture by four times. "The pasture had 500 AUMs in it, meaning you could put 500 head of cows per month in it. We burned it and got double that. So there's 1,000 AUMs. Then we put seven miles of pipeline in that one pasture," said Jeff. "It went from 1,000 to 2,000 AUMs. So we went from 500 AUMs, burned it, put water in it, and now there's 2,000 AUMs."

Typically, reseeding costs approximately \$40-\$50 an acre and can run a little more based on the cost of the seed. It is well-worth the investment based on the increased capacity after the land is reseeded. "To reach our objective to reach

*(Continued on next page)*



*Jeff Young and Chris Robinson look over Castle Rock Ranch.*



*The Huff Creek-site of future riparian fencing project.*

6,000 mother cows on Ensign Ranches of Utah, changing this non-productive land is essential,” said Jeff. “How do you expand your operation? You can buy it, rent it, or improve what you have.”

Every year they have multiple pipeline projects they are working on at various ranches. “We’ve learned the first place to spend money when you come on a ranch is to make sure it is well watered—that gives you the best leverage,” said Chris. “We’ve put in hundreds of miles of 2” or 3” diameter high-density polyethylene (HDPE) pipe, ripping it in with a D6 Cat.”

In addition to making the ranches more productive for cattle, they also work to improve habitat for wildlife. They are currently in the planning stages of a project to help improve the riparian area of the Huff Creek (a tributary to Chalk Creek) in the bottom of one of their pastures, by adding enclosure fences with gaps that will allow cattle to move back and forth. “This is really good historic Bonneville Cutthroat habitat, and there’s Bonneville Cutthroat in it,” said Jeff. “The upper reaches of the creek are pretty healthy, but the lower section has warmer water and exposed banks. We’ve got to do something to come in and protect it.”

“We’ve been working with DWR,” said Chris. “This Huff Creek has some pure strain Bonneville Cutthroat in it, but we feel badly we’re not treating the lower half as good as we ought, so this project will remove the pressure on those reaches.”

Ultimately, they want their ranches to have excess feed to ensure they have the capacity necessary to maintain their cow herd during times of adversity. “What we try to do is create flexibility. If we have a drought, it means we’re

not de-stocking, or maybe it means we can keep fewer yearlings over. I don’t know that it means we’ll be running a lot more mother cows,” said Chris.

They also utilize the natural resources on several of their ranching properties to run Cooperative Wildlife Management Units (CWMU’s), which allows them to offer custom outfitting opportunities for big game.

“My son-in-law, Travis Murphy, outfits and guides our hunts. He has maybe 25 guides. He does a lot of hunts,” said Chris.

The Pavhant Ensign Ranch is one of their big hunting properties because of the large trophy elk guests harvest there. “I don’t know what Pavhant really means in Paiute, but to me it means ‘big elk’. It’s a very low harvest rate, but the bulls are worth about \$30,000 each,” said Chris. “This is a profit center for the ranch.”

In addition to earning extra income for the ranch, Jeff sees the presence of trophy game a little differently, “The fruit of all the effort has come forth,” said Jeff referring to the presence of trophy game in relation to their conservation efforts.

For Chris, being willing to follow-through and create opportunities is key to the success of The Ensign Group. “My definition of luck is where opportunity and preparation meet. Something may come your way, but if you’re not willing to act on it, you’re not prepared,” said Chris. “We can go on a piece of property and figure out how to make it work at some level; we’ve been doing it for almost 30 years. So we have that preparation and we know how to structure things. We’ve done a lot of transactions.”

In the near future, they are focusing on continued improvements to current properties, but it is clear from past history that they will be ready when the next deal comes along.



*Clint Ward, Jeff Young and Chris Robinson looking at the healthy growth of the newly seeded pasture.*



*Jeff Young, Chris Robinson and Alex Robinson*

# Harry Papageorge Wins 2017 Klussendorf Award

MADISON, WIS. – Harry Papageorge of Ogden, Utah was named the 76th winner of the Klussendorf Award, the highest recognition given to a dairy cattle showman in the United States during the 51st World Dairy Expo. Papageorge has dedicated his entire life to the dairy industry and continues to play an active role on this family's dairy farm because he simply loves it. Throughout the years, he has mentored many people in Holstein circles across North America.

The award is given in memory of Arthur B. Klussendorf, considered an outstanding showman of his time and a model for all those who have followed him. This year's selection was made by members of the Klussendorf Memorial Association, formed in 1937, at its annual meeting held earlier in Madison, Wis. Papageorge received the silver trophy designed by Tiffany Jewelers of New York City.

Pappy's Farm has bred 29 All American nominations. This includes the 2011 All American and All Canadian Winter Yearling Pappys Goldwyn Rave who was junior champion at World Dairy Expo that year. That heifer went on to be the 2012 Reserve All American Senior 2 year old taking second place at this show. On top of this, this well-known western dairy farmer has had seven Senior Best Three Female All American nominations

and three Junior Best Three Female All American nominations. Papageorge also bred and owned four 95-point cows and developed Vernway Echo Violet into an Excellent 97-point cow.

This year's 76th Klussendorf winner and his farm had an impressive run at the Western National Black and White Days in Richmond, Utah winning 21 Premier Breeder banners, 12 Premier Exhibitor awards, bred or developed 10 Grand Champions, and 5 Reserve Grand Champions.

A gifted leader, Papageorge served six terms as President of the Utah Holstein Association, served eight years on the Holstein Association USA board of directors, served six years on the National Dairy Promotion and Research Board, among numerous other leadership roles.

Papageorge certainly would give credit to his entire family for this honor; that includes wife Helen; and his son Ted who farms with Harry these days. Papageorge also is an accredited national judge who officiated shows in 23 states and Mexico, Canada, and Ecuador. His Pappy's farm has won Holstein USA's Progressive Breeder of Registry Award for an incredible 47 consecutive years.



*Harry Papageorge (right) receiving the Klussendorf Award from Gilbert Texiera (left) and Wayne Sliker (center)*



*Harry with his son, Ted (right) and granddaughters Lacey and Alexis*

# RAISING THE NEXT GENERATION:

How do you envision the future of your farm? That answer is probably going to vary depending on what stage of the business life cycle you are in. However, no matter what stage you find yourself in, there is always something that can be done now to help your operation succeed in the future.

I am grateful that I was raised in agriculture as well as taught about the important things in life. My experience has been different than most. I didn't have the opportunity to grow up on a family farm. My dad has always worked for a Farm Credit entity in Idaho. We had a couple of cows and horses, and then during the summer we would raise pigs and sheep for the county fair. All throughout Junior High and High School, I would spend my summers working on other's farms baling hay, irrigating, and working cattle. Even though my family didn't have a farm of our own, I am glad that I was still raised in a way that gave me a wide variety of opportunities to be involved in agriculture. I remember lots of times when I was younger I would go out on farm visits with my dad during the summer. We would jump in the car early in the morning to go visit a seed potato operation. While he spent time talking to the borrower, my brothers and I would get to walk through the endless rows of little green plants or climb on the mountains of potatoes in the cellar. At other times, we would head out to a barley field as it was being planted, and I would jump up on the tractor for a ride. Then once or twice a year I'd get to go count sheep or cattle with my dad as they were loaded onto trucks and shipped to the sale. These memories are some of my very favorite. In my opinion, being in the barn and out on the range are some of the best places to raise your kids.

Looking back now, I realize that raising kids to appreciate agriculture the way you do can be very hard. Many times your kids will question why it is so important that they know about agriculture, or why they have to be involved. They may not use those exact words, but some of the things they say or things

they do will portray this. To me, being involved in agriculture is important because the more exposure someone has to Ag and its variety of settings, the more well-rounded they will be over time. Whether they choose to come back to the operation or not, the skills and lessons they learn on the farm will be such a benefit to them throughout their life.

A worry of many farmers today is who is going to take over their farm when the time comes. There is a sense of pride in keeping the farm in the family. This is often known as Succession Planning, and it can be a difficult topic to discuss over family dinner, but it needs to be done. If you have been wondering about the succession planning of your business, this website has some great links that can help you get started: <http://www.farmjournallegacyproject.com/tools/#getstarted>

This link lists a couple of different questions about how you can start these crucial conversations. Questions like...

***"Are you interested in participating in the family operation and, if yes, in what capacity?"***

***"What will it take for you to prepare for this role/responsibility?"***

***"If you want to be included in the operation, are you willing to invest in an ownership interest?"***

These questions are just the beginning in helping your farm along its transition. Even if your farm isn't in the transitioning stage, it might still be a good idea to have these discussions with your kids now to see what their interests are. Many kids are nervous to come back to the farm especially when commodity prices are so low.

Again, no matter what stage of the business cycle you are in, preparing now will help make the transition of your farm much easier. Here are a few things that you can do now to ensure this smooth transition.

# THE FUTURE OF YOUR FARM

By: *Tanner Fannesbeck, Intern*

- Understand the cash flow of your business. This is one of the greatest worries of any farmer that is looking to pass their operation onto the next generation.
- Keep expenses reasonable, maximize the operations resources, and manage risk appropriately.
- Make decisions more on the basis of cash flow and less on the size of net worth.
- Pencil out how much of income you might need for retirement including health care costs.
- Will the operation pay you a check every month?
- Will you liquidate or segregate some assets to provide for retirement?
- Plan for the 5 D's: Death, Disability, Disaster, Divorce, and Disagreement.
- Even the best plans aren't always going to turn out to be perfect. Make sure that your plan includes some sort of tactic if any of these Ds are to occur.
- When making a plan for these 5Ds make sure to involve family members in the process so that they will know and understand what is going on. It will also be a perfect time for others to express their opinions, and you will be able to better understand what their position is.

Open communication with children and employees will assist in a smooth transition and in maintaining goodwill.

Don't let the unknowns of the future scare you away from planning. The longer you wait to make a plan, the harder it will become. Succession planning doesn't always have to include the tough conversations of estate planning or death that is normally thought of. Planning for retirement can be fun considering all the grandchildren you'll get to help raise and the places you might get to visit. It can also include taking your children and grandchildren for a ride in the tractor, finding out their interests, and creating great memories. Always remember that there are a lot of useful resources out there that can help you prepare to make the transition whether it is four years away or 40.



*Tanner and his sister baling straw.*



*Tanner team roping as kids.*



# GIVES BACK

Western AgCredit is committed to supporting agriculture and being good corporate citizens. Below is an overview of community support and financial support given to the agriculture community in recent months.

## Supporting State Fair Barnyard Friends Exhibit

Barnyard Friends, an exhibit at the Utah State Fair focusing on interaction and education on farm animals, is a project Western AgCredit is happy to support. This year, the internal portion of the building was renovated to focus on hatching baby

chicks. WAC employees helped line the walls with chicken wire, install wood, and prepare and install the new logo for that area. Employees also helped with set-up and working at the exhibit in addition to the financial contributions made by the Association.



## Cedar City Staff Helps With Southwest Jr. Livestock Set-up

Employees in our Cedar City Branch volunteered at the Southwest Jr. Livestock show to set-up pens for the show. Western AgCredit is committed to supporting Jr. Livestock programs throughout our territory, and this is just one example of how this is done.



### RECENT SPONSORSHIPS

- BARNYARD FRIENDS-STATE FAIR
- NATIONAL ASSOCIATION OF COUNTY AGRICULTURE AGENTS
- UT FARM BUREAU
- UTAH FARMERS UNION
- USU SCHOLARSHIPS
- BYU-I SCHOLARSHIPS
- SUU SCHOLARSHIP
- UNIV. OF WY SCHOLARSHIP
- VARIOUS JR. LIVESTOCK AUCTIONS
- 4-H
- UTAH DAIRY ASSOCIATION
- UTAH WOOL GROWERS



# Laughing Pen

## A Night Out

A tornado hit a farmhouse just before dawn. It lifted the roof off, picked up the beds on which the farmer and his wife slept, and set them down gently in the next county. The wife began to cry.

“Don’t be scared, Susan,” her husband said. “We are not hurt.”

Susan continued to cry. “I’m not scared,” she said between sobs. “I’m happy because this is the first time in 15 years we’ve been out together!”

## Lucky Apples

A man traveling through the country stopped at a small roadside fruit stand and bought some apples. When he mentioned they were awfully small, the farmer replied, “Yup.”

The man took a bite of one of the apples and exclaimed, “Not very flavorful, either.”

“That’s right,” said the farmer. “Lucky they’re small, ain’t it?”

## Feeding the Pigs

There was a farmer who had a herd of pigs. One day someone went to the farm and asked the farmer: “What do you use to feed your pigs?”

“Well, I give them table scraps and things like that. Why?”

“Because I am from the Animals Protection

Association and I think you don’t feed them like you should, they shouldn’t eat waste.”

Some days later, another person arrived and asked the same question. The farmer answered, “Well, I feed them very well. I give them salmon, caviar, shrimp, steak...why?”

“Because I am from the United Nations Organization and I think it’s unfair that you feed your pigs like that when there are people dying with nothing to eat.”

Weeks later, another man came in and asked the same question.

The hesitant farmer answered after a few minutes: “Well, I give five dollars to each pig so they can buy whatever they want.”





P.O. Box 95850  
South Jordan, UT 84095-0850  
www.westernagcredit.com



PRSR STD  
U.S. POSTAGE  
PAID  
Salt Lake City, UT  
Permit #7148

*Our Mission: To provide the most dependable source of credit  
and related services to agriculture and the rural community.*

# Doing Business With Us Equals Money in Your Pocket!

**This September, Western AgCredit customers received semi-annual patronage payments totalling \$2.1 million, which will effectively reduce their already competitive interest rate by .75%. Membership has its benefits! Contact us today and start getting your share of the profits!**

