

FenceLines

Volume: 28 Issue: 1 A Western AgCredit Publication Winter 2025



Photo credit: Lee Hanberg



On the cover: Installing tile drainage in a field at Hanberg Farms in Randlette, UT.

FenceLines

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Join Us Socially!



We'd love to hear from you! Send your questions or suggestions to:

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New Year, New Challenges & Opportunities

David Brown, President and CEO



Happy New Year! Do you ever sit back at the beginning of the year and wonder “what crazy event(s) will happen this year that we didn’t see coming?”

We are only two weeks into January and have already witnessed mass destruction from wildfires in Los Angeles, with thousands of people displaced and their world turned upside down. It is hard to process this type of destruction in such a short period of time. Just a few short weeks ago they were enjoying the holidays with their families, not knowing what was just around the corner.

On the agricultural front, I recently made a trip to Costco with my spouse to pick up a few needed grocery items and a whole bunch of other stuff we didn’t need but couldn’t resist. Very similar to most Costco runs we make together! While there, I entered the cooler to grab a gallon of milk and a flat of eggs. To my surprise, not an egg to be found anywhere in sight. I tracked down an associate and asked where the eggs had been moved. She politely informed me they didn’t have any eggs. I thought to myself, “not one flat of eggs in this entire warehouse full of food.” It seemed preposterous. Sure enough, not even one flat! An interesting feeling hits when you realize that a staple of your diet cannot be purchased at any price. Kind of a small wake up call as to what life could be like and is like for many people in the world. A gentle reminder to those of us that have never experienced serious hunger what an epidemic of avian influenza combined with newly enacted government regulations can do to the food supply, though most likely only temporary in the case of eggs.

At Western AgCredit, January is a time for reflection and accountability. We close out the books on another year and report our financial and operational performance to shareholders. We take this responsibility very seriously as it affects your livelihood and the sustainability of your cooperative going forward.

We have good news to report. Western AgCredit remains financially sound. The Association continues to have a strong capital position, respectable credit quality (despite downward pressure on profit margins in nearly every sector except beef), and steady growth in loan volume and membership. These metrics, combined with strong and sustainable earnings, make Western AgCredit one of the top performing Associations in the CoBank district.

In 2024, the Association generated sufficient net earnings to distribute a patronage dividend of \$14.35 million, or 40% of net income. This equates to an average reduction in your effective interest rate of 1.50% (or 150 basis points). For example, if your stated interest rate was 8.50%, your effective rate after patronage would be approximately 7.00%.

Patronage dividends are calculated for each loan based on contribution to net income, therefore the amount could equate to slightly higher or lower than the 1.50% average. Although a bit more administrative work, we consider this methodology to be more equitable to stockholders than a flat percentage of the outstanding loan balance.

The Board of Directors makes patronage decisions by balancing future capital and investment needs with the cooperative principle of returning available earnings to the members who generated it. I revere the cooperative business structure and believe it to be the best form of ownership and governance, when managed effectively.

As we dive headfirst into 2025, please let us know how we can best support you in your agricultural business endeavors!

Respectfully,

A handwritten signature in black ink that reads "David Brown". The signature is fluid and cursive, with a long horizontal line extending to the right.

Association News

New Employee



We're pleased to welcome Tina Fraidenburg to the Western AgCredit team as an accounting assistant in the South Jordan office. She's looking forward to the opportunity this new position will give her to learn new things and be part of the Western AgCredit family.

Prior to coming to Western AgCredit, Tina worked as a resource aid in an elementary school and as a cosmetologist. Tina is originally from Smithfield, UT where she grew up on a small family farm. She now lives in South Jordan, UT with her three daughters. In her free time, Tina enjoys being active and spending time outdoors.

Annual Report Online in Early March

Western AgCredit is pleased to report another year of positive growth and favorable performance. Our performance results reflect our customers' performance, to whom we are grateful.

The 2024 Annual Report will be published on our website in early March 2025 when it is sent electronically to the Farm Credit Administration. In addition to being posted on our website, all stockholders will receive a print copy in the mail.

If you have any questions about the annual report, please contact your loan officer.

It's Never Too Early to Submit Your Photos!

We hope you're enjoying your 2025 Western AgCredit calendar featuring pictures submitted by customers!

Thirteen agriculture-related photos will be selected for the 2026 calendar, and winners will each receive a \$50 gift card for his/her submission. There are no limits on submissions, and the deadline is August 31, 2025.

High-quality digital photos are preferred, but other formats will be accepted. By submitting your photos, you give Western AgCredit the right to use photos for additional marketing purposes. Please submit your photos on our website at westernagcredit.com/photo-contest.



Whistle Blower

Western AgCredit provides its stockholders, employees and the general public the opportunity to utilize a "Whistle Blower Program" (WBP). The WBP can be accessed using the Association's website (www.westernagcredit.com) or by telephone on either an anonymous or a known basis. A partial list of potential issues that may result in a WBP report 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 Shirelle Erb at 801-450-1335, or Board Chairman LaDell Eyre at 435-691-2284.

Customer Survey Drawing Winner Announced

Western AgCredit is pleased to congratulate Deanna Cowley on winning the 2024 fourth quarter \$200 gift card. She 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.

Walker Bagley Receives Excellence in Agriculture Award

Congratulations to Western AgCredit Loan Officer Walker Bagley for winning the Utah Farm Bureau YF&R Excellence in Agriculture Award! This prestigious award recognizes individuals who have made significant contributions to agriculture through leadership, dedication, and a passion for improving the farming and ranching industry.

As this year's Excellence in Agriculture recipient, Walker received a four-wheeler. Walker will represent Utah at the National Farm Bureau Conference in San Antonio this January where he will compete with other outstanding agricultural leaders from across the country.

Congratulations on winning this prestigious award, Walker, and good luck at nationals!



Photo credit: Utah Farm Bureau

Walker and Audree Bagley

Linda Owen Retires After 10 Years of Service

For those who have frequently called our South Jordan office, you've likely been greeted by the warm and welcoming voice of Linda Owen. After an impressive 10 years of dedicated service, Linda retired from the Association in the middle of December.

In her time with the Association, Linda wasn't just the friendly face and voice at the reception desk, she also played a vital role in managing our accounts payable, ensuring smooth operations in that area as well. Her hard work, attention to detail, and positive attitude contributed to the value she added as a member of the team.

Western AgCredit Controller Amy O'Hanlen said, "Linda was willing to assist customers

and employees with professionalism and a positive attitude. We are going to miss her dedication and smiling face."

As Linda begins this exciting new chapter of her life, her plans include traveling, serving a mission for The Church of Jesus Christ of Latter-day Saints and spending more time with her family. While her presence will be missed in the South Jordan Office, we are excited for the adventures that she'll have as she enjoys her retirement.

We extend our heartfelt thanks to Linda for her exceptional service and dedication. We wish her all the best in her retirement and the next exciting journey she embarks on! Thank you, Linda!



AgrAbility of Utah Helping-Farmers Do What They Love

Do you know someone in agriculture that is impacted by injury, illness, disability, or arthritis? AgrAbility of Utah is a program that helps farmers, ranchers, and family members remain in agriculture despite adverse health conditions.

AgrAbility specialists visit with impacted farmers, ranchers, and family members, conduct an agricultural work-site analysis, and evaluate each situation. Practical solutions that address the specific barriers faced by the agriculturalist or family member are identified. Solutions may include assistive technology recommendations (tools and devices that mitigate the limitations faced), equipment modifications,

or task restructuring. Examples include, livestock handling equipment, lifts to provide access to equipment, and farm mobility devices.

All AgrAbility services are free and confidential. AgrAbility of Utah is funded through USDA, and is a partnership between Utah State University Extension and Roads To Independence. Utah is just one of 21 states that have the AgrAbility program. If you or someone you know works in agriculture and has a disability, please call or email program coordinator, Randall Bagley at 435-797-0350 or randall.bagley@usu.edu.



Steve and Lee Hanberg with Western AgCredit Branch Manager Jason Gillman in the Hanberg's shop that's also used to store corn after the harvest.

ROOTED IN HARD WORK

How the Hanberg family of Randlett built a thriving farming operation through passion, perseverance and technology.

Hanberg Farm, located in Randlett, Utah, is known for its high-quality grain corn and alfalfa production. The farm's agricultural roots trace back to Steve Hanberg's childhood growing up on a dairy farm in Duchesne County. Steve's early years on the farm shaped his passion for agriculture. Today, Hanberg Farm continues to thrive, blending tradition with innovation while upholding the values of hard work and quality feed production.

After graduating from high school, Steve spent summers working in the oil field and winters attending Utah State University where he pursued a degree in business administration. Steve married Marcia Murphy, a farm girl from Roosevelt, and while he continued his career working in the oil industry after graduation, Marcia also worked full-time to support the family.

"In 1985, I kind of got the itch, like farm kids do, to get back into the farming lifestyle," Steve said. With the help of Federal Land Bank, a predecessor to Western AgCredit, the Hanbergs purchased a farm in Myton, Utah utilizing money they saved as a down payment and a budget outlining how they'd make it work.

According to Steve, their youth and preparation helped convince Federal Land Bank to loan them the money for their first farm. "The only reason we got our start is because someone at Federal Land Bank took an interest in us," Steve said.

Farming while working full-time required a lot of dedication, but they worked hard to meet their commitments. "We worked all day and farmed all night." Steve said. "My father was close enough he allowed me to borrow equipment, and then we rented equipment and hired custom help."

A few years later, the Hanbergs purchased the Randlett farm and made it their home base while continuing to build their agriculture operation. Eight years after they purchased their first property, they were at the point the farm was more than a part-time venture and could support their growing family with Marcia working, so Steve left his off-farm job to focus on farming full-time.

The Hanbergs decided to diversify and purchased a small cow-calf herd they ran on irrigated pasture. They quickly realized they could make more selling feed from the pasture ground, so they sold their herd.

Later, they started a feedlot where they would purchase roughly 300 head of steers in the fall and background them until March when they'd ship them off to be finished elsewhere.

"The purpose of the feedlot was to market our hay we were growing. It's always a challenge selling hay, but after several years of running the feedlot, we realized that we weren't really making money off of the cattle, we were just marketing our feed through the cattle, and that the feedlot didn't fit our resources," Steve said.

The Hanbergs pivoted again and went from round bales to more marketable square bales. "We found that if we put more effort into marketing, we could sell all of our crop without having to feed livestock," Steve said. "That changed the whole dynamic of our farm, because now we have a little slack time in the winter to catch up and maybe even travel from time-to-time."

Today, Steve and his son Lee, along with their wives, Marcia and Jayla, own and operate Hanberg Farm. Lee grew up working on the farm, and after high school graduation started working an entry level position in the telecommunications industry. Over the course of his nine-year career there he was promoted several times. When he decided to leave the company to farm full-time, he was running a crew installing fiber optic lines. That was five years ago.

Since then, Lee and Jayla, who grew up on her family's cattle operation in Duchesne County, have purchased their own farm they run alongside Steve and Marcia. Together, the Hanbergs operate nearly 2000 acres of owned and leased property, 1500 of which is irrigated. Their production is split pretty evenly between grain corn and hay, and they rotate in some cover crops and three-way.

"We work really hard to grow the best alfalfa and sell it to the premium markets, dairies generally, and some horse hay buyers," Steve said. "Our favorite crop to grow is corn. We were one of the first in the Basin to start growing corn for grain, and we learned the tricks and we've been very successful in growing grain corn and selling the shelled corn."

Their corn production is sold primarily to Shephard's Eggs in Spanish Fork and Pittman Farms in Moroni for turkey production. "We haul a big portion of what we produce ourselves. It just gives us more control, not only on the cost, but on managing the timing and deliveries and maintaining the quality," Steve said.

Since they harvest the shelled corn, a lot of feed remains in the field after harvest. To manage this, the Hanbergs lease the fields to local beef producers who graze their cows on the residual plant fodder during winter months.

Since joining the operation, Lee has focused on improving their production through emerging technologies and varying production practices based on the needs of each field. "We do some full tillage still when the field needs it, say it's got compaction issues, but then we get the benefits of no-till on some of the alfalfa," Lee said.

They also practice strip till, where eight-inch strips are tilled every 30 inches. This allows them to reap the benefits of no till, such as building biomass, while still being able to plant in clean soil when a lot of fodder remains in the field. "The big thing now is strip till, but it's got to be precise," Lee said.

The precision is made possible through GPS technology. The Hanbergs continue to take advantage of this technology to improve their production. For example, they apply fertilizer by



Lee and Steve by one of their GPS base stations where the GPS globe is mounted during the growing season.



The Hanberg family.
Jayla, Remi, Lee, RiLee, Steve, Marcia and Slade Hanberg, Amanda and Cory Bentz

banding a zone of it 10 inches deep so it targets the seed. This allows the plant to immediately find concentrated fertilizer and reduces the amount of fertilizer used in the application.

In addition to tilling, planting and fertilizing with GPS technology, they also utilize it to map production in each field down to certain areas of the field, allowing them to identify segments where production could be improved. Utilizing data from a few years of GPS tracking, they identified an area they felt would benefit from a tiling project to improve drainage on a portion of less productive farmland. "This year was the first year we did the project, and we've already seen a dramatic improvement," Lee said.

They'd planned to do half the field and determine the impact before adding drainage tile to other areas. According to Lee, their first project has been so successful they're already planning their next projects.

While projects like this are expensive, it has allowed them to increase their arable acres, and is much cheaper than purchasing additional land, making it a worthwhile investment.

Always looking for ways to maximize their resources, the Hanbergs built a dual-purpose shed that stores their grain corn for fall deliveries, and when it empties out, they use it as a shop where they work on and store equipment in the winter.

"The Hanbergs are exceptional managers," said Branch Manager Jason Gillman. "They set a remarkable standard for how meticulous record-keeping and attention to detail can drive success in farming. I'm continually impressed by their ability to stay on top of every aspect of their operation. They not only have a clear understanding of where they stand financially but also closely monitor their progress to ensure consistent growth and sustainability."

In addition to their grain corn, the Hanbergs grow a sweet corn crop that Marcia, Jayla and Steve and Marcia's daughter, Amanda, hand-pick and sell locally. They've built a reputation among locals for excellent sweet corn due to its quality and the selective harvesting the Hanbergs do to ensure optimal ears are harvested and sold. The Hanbergs sell about 100-150

dozen ears a week at a farmers market and through orders from their local network.

Representing agriculture and giving back to the agriculture community is also something the Hanbergs value. Steve is a 30-year member of the Utah Farm Bureau, serving for 10 years as county president and recently completing six years of service on the state board as the director for region five. He has also served in various other capacities, including several water and conservation related boards.

"It's just been a great experience to build my ability to advocate and to speak up for agriculture," Steve said of his Farm Bureau experience. "But more important to me are the relationships I've built, the people I've met and the friendships that have developed."

Marcia is also a long-term Farm Bureau member and organizes the Uintah County Farm Field Day. Together, Steve and Marcia have had many opportunities to advocate for agriculture, including during multiple trips to Washington, D.C.

Lee and Jayla have been active in their county Farm Bureau and at the state level as well. They were recently awarded the Utah Farm Bureau Achievement Award for their full-time farming operation. They received a John Deere Gator from the Utah Farm Bureau sponsored by Western AgCredit. They will go on to compete at the national level, at the Farm Bureau Convention in San Antonio in January of 2025.

They applied and were finalists for two consecutive years before ultimately winning in 2024. This process has allowed them to track their progress and work collaboratively to expand their business. For Lee, the application process has been really helpful. "We get to sit down and make a goal and we get to see where we're at financially," Lee said.

Looking ahead, Lee aims to acquire more acreage and ensure the farm remains a thriving family operation for generations to come.

The Hanbergs' story is a testament to the power of passion and dedication in achieving success in agriculture. Their journey back to their roots has not only brought them personal fulfillment, it has also contributed to the agricultural community in Utah.



Photo credit: Lee Hanberg

The Hanbergs strip tilling a field.



Photo credit: Utah Farm Bureau

Lee and Jayla with the John Deere Gator they won as the 2024 Utah Farm Bureau Achievement Award winners.

Meet the Cedar City Team

Karissa Beagles, McKade Hatch, Robbie Masterson, Morgan Baldwin, Ashlin Gay



Western AgCredit's most southern branch serves customers in Nevada, Arizona and Utah and is located in Cedar City. According to Branch Manager Robbie Masterson, "We have customers who ranch in the Beaver Mountains at 12,174' in evaluation to some who ranch at under 1,000' in Southern Nevada. I would dare say the Cedar Branch has the broadest territory and most diverse landscape. Our customers range from 340 miles east to west and 200 miles north to south."

In addition to the vast swath it encompasses, Credit Support Specialist Karissa Beagles also noted the distinctiveness of the area, "Our branch is unique because of the different areas that we service. We have valleys filled with grass and pastures, the hot, rugged terrain of the Arizona Strip, and the Nevada desert to Area 51 and Las Vegas."

Cedar City's unique and diverse landscape make it an excellent place for outdoor enthusiasts. "We have an awesome backyard to play in. National Parks, skiing (water and snow), hiking, and, if winter ever gets serious, we're only a half hour from warm weather any time of the year," Credit Analyst Morgan Baldwin said.

Loan Officer McKade Hatch said. "I enjoy the diverse landscape that our borrowers farm and ranch on. One day I'll be helping a borrower mark sheep on the mountain in the quakies, and the next day be gathering cows down on the desert."

One of the things that makes the Cedar City Branch stand out is the youthfulness of the team. Morgan shared this anecdotal story to demonstrate their youth, "When we cleaned out Daren's (the previous branch manager) office, Robbie and I were the only ones who knew what a floppy disk was."

Their youth is a strength; they are dedicated, intelligent and eager to help their customers succeed in agriculture. "Though young, we bring a lot of different experiences and strong work ethic to the table as we serve our area – all while having a good time doing it!" AgExpress Loan Officer Ashlin Gay said.

For all of them, serving their customers is of the utmost importance and they enjoy the opportunities they have to engage with them. "The one part of my job that I enjoy most is being able to meet our borrowers and learn more about them and their operation. I enjoy meeting them and getting to know them," Karissa said.

According to Ashlin, "I enjoy working with farmers and ranchers all day, every day. It is a pleasure to get to know and learn from our customers and their operations. My role is fulfilling as I get the opportunity to help our customers achieve their goals and aspirations."

Making a living in agriculture in the desert of southern Utah is an notable accomplishment. "It is impressive to see how differently people in the same industries can run their operations and be very successful at it. Farmers and ranchers are creative in their thinking and have developed their own practices to adapt to their landscape and markets," McKade said.

Robbie's roots run deep in the Cedar City area, and he is grateful for the chance to live where he grew up and values the character of producers in his area. He noted, "Southern Utah Farmers and Ranchers have a special camaraderie to serve others. One once said 'Life can get stormy and difficult, especially with the uncertainty of agriculture, but good still grows when we plant it. We can always serve and lift someone else's burden.'"

Apply Now For Our Customer Scholarships!



SCHOLARSHIPS AVAILABLE

ONE - \$3,000 Daniel Anderson Memorial Scholarship

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ELIGIBILITY

- Candidates can be freshmen, sophomores, or juniors in college, or high school students who will be graduating from high school in the year of application.
- Scholarships can be used at the school of their choice (i.e., college, university, or trade school) to begin or continue their education as an undergraduate.
- Applicant must be a stockholder or a child of a of bona-fide Western AgCredit stockholder.
- Any area of study is eligible.

FOR MORE INFO & TO APPLY

Visit westernagcredit.com/scholarships or scan the QR code.

APPLICATION DEADLINE

March 31, 2025



Scan to apply & to see
other scholarships offered
by Western AgCredit.



Tree Honoring Candice Masterson Donated to Festival of Trees

In September of 2023, Candice Masterson, wife of Cedar City Branch Manager Robbie Masterson, passed away after a courageous 18-month battle with Melanoma cancer. To honor her memory, Western AgCredit employees decorated and donated a tree to the Festival of Trees in Sandy, Utah this past Christmas. The tree, themed “Country Christmas,” was displayed at the event, where all trees are sold to raise funds for Primary Children’s Hospital.

Robbie and his daughters, Oaklee and Berklyn, visited the tree to celebrate Candice’s life and legacy.

Candice was born and raised in Evanston, Wyoming, and later graduated from Southern Utah University. She made her home in Kanarrville, Utah, where she raised her family with Robbie.

Known for her deep love of horses, Candice grew up rodeoing and dedicated much of her life to helping youth through equine therapy. Her compassion for others and her passion for horses continue to live on through Oaklee and Berklyn, who share their mother’s love for both animals and helping others. Candice’s memory remains a lasting inspiration to all who knew her.



Robbie, Berklyn, Candice and Oaklee Masterson



“Country Christmas” tree in Candice’s honor.



Berklyn, Robbie and Oaklee at the Festival of Trees.

Flying M Ranch Receives Utah Leopold Conservation Award

Flying M Ranch of Hansel Valley was selected as the recipient of the 2024 Utah Leopold Conservation Award®.

Flying M Ranch’s owners, Tim and Laurie Munns, were presented with the award at the Utah Farm Bureau’s Annual Convention. The Munns received \$10,000 for being selected. The award is presented by Sand County Foundation, American Farmland Trust, Utah Farm Bureau Federation, Western AgCredit, and the Utah Cattlemen’s Association.

“We congratulate the Munns family on receiving the prestigious Leopold Conservation Award. Their unwavering commitment to conservation and responsible land stewardship showcases the profound impact that passionate individuals can have on the environment,” said David Brown, President of Western AgCredit. “This award is a testament to their leadership and vision in preserving our natural heritage for future generations.”

Given in honor of renowned conservationist Aldo Leopold, the award recognizes farmers and forestland owners who inspire others with their dedication to environmental improvement. In his influential 1949 book, *A Sand County Almanac*, Leopold



called for “a land ethic,” an ethical relationship between people and the land they own and manage. To view past recipients of the Utah Leopold Conservation Award and learn how to apply, visit www.sandcountyfoundation.org/Utah.

Budgeting for the New Year!

By Lane Gardiner, Regional Manager

The winter months are a great time to review last year's financial performance and forecast the year ahead. One of the most important tools to ensure the continued success and viability of a farm or ranch is an annual budget. Many of us are very good at recording where the money went, or how much revenue we received, but often miss stepping back and using a budget to enhance our management decisions.

Budgets in agriculture are typically categorized into three types: 1. The Whole Farm Budget 2. Enterprise Budget 3. Partial Budget.

The Whole-Farm Budget

The whole-farm budget is what most operators think of when discussing a budget with their family members, business partners, or bankers. It begins with a list of expected revenues and expenses, but should be driven by the resources, constraints, and realistic data that will be present on the farm or ranch in the next year.

Begin to create your whole-farm budget by sourcing your average expenses (by category) from the last several years of tax returns or profit and loss statements. Your loan officer at Western AgCredit can be a great resource for these figures as well. After you collect that information, take a look at the data to ensure there are no surprises. Categories such as repairs and supplies often add up over the year to amounts that are beyond day-to-day remembrance. Ask yourself if there is any way to reduce these expenses without a negative impact to your revenue.

You will need to adjust your budget for current input prices and see if it corresponds well to the averages, or if you need to add or subtract per current market conditions. For example, if diesel has been below \$3.00/gallon for several years, but is trending past \$4.00/gallon now, you will need to add

approximately 30% to that line item in your budget if you expect to use approximately the same quantity.

After expenses are categorized and budgeted for the year, project your revenue. A calculation of the expected price received multiplied by expected yield (bushels, pounds, tons, etc.) isn't difficult. Each enterprise of your farm or ranch should be itemized on different lines. For example, a ranching operation that sells hay, calves, cull cattle, and yearlings would have a line for each with the quantity sold and expected price.

The "punchline" of a whole-farm budget is the projected profit, which is calculated by subtracting your total expected expenses from total expected revenue. This is the number that can be used for making debt payments, large capital purchases, expansion, or building a buffer for a rainy day in the commodity markets that will undoubtedly come (or is already here). An old cattleman I knew would often quote the Chinese philosopher, Confucius, who said "When prosperity comes, do not use all of it."

Enterprise Budget

Enterprise budgeting is a tool that states the expected revenues and expenses from the production of a particular product. For example, if a farm produces corn, alfalfa, and wheat, an enterprise budget would list the revenues and expenses attributable to each crop separately.

It is a bit difficult to assign your fixed costs such as property taxes or utilities to the particular crop or enterprise, but typically a ratio of acres planted in the crop versus the whole farm (or for an example from the ranch world, a ratio of AUMs used by yearlings to the entire ranch carrying capacity) works very well as long as it is used consistently across the other enterprises analyzed.



These enterprise budgets are extremely useful as they will provide the cost of production per enterprise. When you divide that total cost by the total expected production (total pounds, tons, bushels, etc.), you have calculated a break-even sales price. I will let you in on a bit of a banker secret... If the expected sales price is below the calculated break-even price, it may be time to make changes in your operation.

Partial Budget

The last type of budget I'd consider creating is a partial budget. The partial budget simply lists the positive and negative economic effects from a defined change in management. Be very specific in what the proposed change to your farm or ranch will be and then:

- ◆ Quantify the additional costs
- ◆ Quantify the additional income
- ◆ Quantify the reduced costs, and
- ◆ Consider the intangible or long-term impacts

A positive net change from the added costs, added income, and reduced costs indicates the proposed change has merit and needs further discussion with all involved. A classic example from the cow/calf industry for a partial budget is the decision of retaining heifers for breeding or purchasing running age cows. The additional cost of purchasing the running age cow

and associated expenses are significant, but sometimes the additional income provided by selling the heifer (and later, a calf that was not raised by a heifer), reduced costs from the lack of breeding expenses and months of heifer development, and the non-economic impact of not having to calve heifers may weigh the net effect in a direction that is not expected.

As always, do not hesitate to stop by the Western AgCredit office for help with budgeting or have your loan officer stop by your home. Together, we can make better decisions and further support applications for credit when an accurate budget for your operation is provided. We are looking forward to a prosperous year in 2025 and wish you all the best.

Lane Gardiner is lending manager of Western AgCredit's north region and he manages the Tremonton and Logan branches. Lane has worked for the association since 2014. A graduate of Utah State University, Lane went on to complete a master's degree in agricultural and applied economics at the University of Wyoming. Lane, his wife Jessica, and their three boys live in Richmond, Utah.



To download an Excel version of a partial budget and whole-farm budget, scan the QR code or go to: westernagcredit.com/financial-documents



Western AgCredit Gives Back

The Gunnison Valley Fire Department was awarded a \$2,000 Community Partnership Grant from Western AgCredit to assist in purchasing new pagers and communication devices. This grant will enhance the department's ability to respond efficiently during emergencies, ensuring better communication and safety for the community and first responders.



The Logan team helped assemble Thanksgiving Dinner boxes, providing meals for 886 families. This dedicated group worked quickly to ensure families in need had a memorable holiday. The Logan team has helped with this project for several years, continuing their tradition of giving back and supporting the local community.



(Left) Last November, the Tremonton staff delivered matching food drive checks from CoBank and Western AgCredit to Carey Hunsaker, director of the Tremonton Food Pantry. She expressed gratitude to all those who helped fill the pantry shelves.



(Right) Matching funds for the Duchesne Food Bank presented to Community Service Block Grant Director Kim Dieter by the Roosevelt team.

The Spanish Fork Branch returned to their regular stretch of Highway for their biannual clean-up last November. The team focused on removing major debris from both sides of the road. Some interesting finds included solar panels, a tail light and levelers. Overall, it was a successful service project, and the team was pleased to leave the area cleaner than they found it.



Recent Sponsorships

- Utah Cattlewomen's Association
- Utah Farm Bureau YF&R
- Utah FFA Foundation
- Utah Cattlemen Association
- Utah Farmers Union
- Farm Credit Fellows
- Utah Farm and Food Conference
- Beef Field Day

Community Partnership Grants

UP TO \$2,000 AVAILABLE FOR...



Schools



Service Groups



Communities



Non-Profits

Western AgCredit is pleased to offer the Community Partnership Grant Program, which is funded by employee and director contributions and matched by Western AgCredit. For more information or to apply for a Community Partnership Grant, please visit westernagcredit.com.

Laughing Pen

Send your submissions to witts@westernagcredit.com.
If your joke is used in *FenceLines*, we'll send you a Western AgCredit hoodie!



Ranch Hand Logic

A rancher needed a new hand, so he went to the feed store, the farm supply dealership, and the coffee shop to spread the word that he was looking to hire a cowboy. A few days later, he got a call from a fellow who was interested in the position, so he set an appointment for an interview at the ranch.

When the cowboy arrived, the rancher watched him get out of his truck very slowly and then pull out some crutches. The cowboy slowly hobbled over to the rancher and introduced himself, "Hello, my name is Dave, I talked with you over the phone about hiring on as a ranch hand."

The rancher was pretty sure this was not going to work out. He said, "This job requires a lot of physical labor including feeding, mending fences, working cattle, etc. Do you have an illness or have you been in an accident?"

The cowboy quickly responded, "Nope. No illnesses or accidents." Puzzled by this answer the rancher said, "But you're on crutches, you must have had an accident?"

The cowboy smiled and said, "Oh no sir!" Then the cowboy began to explain, "I have been out of work for the past month. I was working down at the Rafter T. One of their bulls caught me in the cowpen. He mashed on me, stomped on me. I am just thankful that in his rage, that bull flipped me over the fence with his final blow. Otherwise he might have killed me. But that was no accident. No Sir. He did that on purpose!"

Open-Book Test

An 85-year-old farmer was rushed to the hospital with a possible concussion. The doctor asked him a series of questions: "Do you know where you are?" "I'm at Memorial Hospital." "What city are you in?" "Salem." "Do you know who I am?" "Dr. Hamilton."

The farmer then turned to the nurse and said, "I hope he doesn't ask me any more questions." "Why?" she asked. "Because all of those answers were on his badge."

New Year's Resolution Success

I'm planning to implement a new weight-loss method that will require people to wear winter gloves making it harder for them to eat.

I will call it "Inter-mitten fasting."

The "Cool" Factor

I got my son a new jacket for this winter.

He didn't like it, so I asked him why.

He said, "I don't feel very cool in this jacket."

I replied, "Exactly! So what's the problem?"

Funny Stuff!

I met a guy doing math problems in winter. You could say he was a kind of cold and calculating guy.

What is the Mexican dish that snowmen like? Burr-ito.



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Western AgCredit's Board of Directors recently declared a \$14.35 million patronage dividend on patronage-sourced loans for 2024. This equates to approximately 40% of net income and reduces your effective interest rate by 1.50% on average.

Your Co-op Your Share

Your patronage check is coming in February.

