

FIRST ON THE FARM

FROM THE EXPERTS AT THE FIRST NATIONAL BANK IN SIOUX FALLS



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CULTIVATING RELATIONSHIPS

2024 was one of the best years for the First National Ag Team. We continued providing value to our customer relationships. We continued to add new, talented team members and to grow our footprint.

2025 will prove to be even better, with some exciting changes coming this year that we will announce in the months to come. But first, allow me to talk about how our year has started.

A closer look at 2025

Recently, we hosted customer events in Chamberlain and Redfield as our two remote lenders, Todd Van Den Bosch and Pyne Lenocker, continue to grow their customer relationships.

Couple that with strong growth in all of our other trade areas, and we've hit a milestone for loans and deposits within our department.

It's gratifying and humbling to work with such a great group of ag experts, as well as customers who have entrusted their financial well-being to us at The First National Bank in Sioux Falls.

As we continue striving to build successful relationships, I'd like to highlight our annual Cultivate Your Future event.

The First National Ag Team is honored and excited to present the 16th annual Cultivate Your Future event on Wednesday, February 12, 2025.

This event is one of the many ways we accomplish our goal of building, or "cultivating," successful relationships with our local farmers and producers.

We understand that everyone is busy nowadays, but we feel like everyone should be a lifelong learner — and Cultivate Your Future is an opportunity to sharpen your skills and stay well informed, giving you a leg up on other area producers.

As farming is a business, our lineup of speakers will provide the unique opportunity to learn about global economics, the industry's best weather outlook, grain marketing information, and some of the challenges we'll face in the coming years from an ever-changing consumer perception of the way we operate.

We look forward to seeing you on February 12! You can find us at Hilton Garden Inn South, located at 5300 South Grand Circle in Sioux Falls.

Don't worry about RSVPing, and we invite you to bring a guest. Lunch will be provided, and we'll have a happy hour to follow.

As always, if you have any questions about your operation and how things are looking for 2025, you can reach out me at (605) 214-0546 or to your banker directly.

**BRIAN
GILBERT**
Ag Banking
Manager



CULTIVATE YOUR FUTURE LINEUP

- 10:30 a.m. Registration
- 11:00 a.m. Matt Reardon
- 12:00 p.m. Lunch
- 12:30 p.m. Tregg Cronin Grain Marketing Update
- 2:00 p.m. Dr. Joe Santos Global Economic Update
- 3:30 p.m. Social



**First Ag Risk
Management**

at The First National Bank in Sioux Falls®

Our agency is an equal opportunity provider.



**GRANT
OLSON**
Ag Banking Team Lead



INSURING YOUR SUCCESS

Ag policy news

On December 21, 2024, Congress enacted the American Relief Act of 2025, which averted a government shutdown and extended the Agricultural Improvement Act of 2018 (a.k.a. the Farm Bill). This Act extends the Farm Bill to September 30, 2025, and commodity programs through the 2025 crop year.

Included was a \$30 billion allocation to the USDA to fund farm relief programs. Of these allocated funds, \$20 billion is meant to assist farmers who suffered from natural disasters in 2023 and 2024. The remaining \$10 billion is meant to provide economic assistance to farmers because of expected economic losses incurred in 2024 crop production season.

These economic assistance payments are expected to be paid out within 90 days, resulting in a mid-March payment date. The estimated payment for corn is \$43.80/planted acre, for soybeans is \$30.61/planted acre, and for wheat is \$31.80/planted acre.

A payment rate of 50% will be paid on all acreage that was prevented from planting during the 2024 crop year due to drought, flooding, other natural disasters, or other conditions beyond the control of the farmer.

2025 farm program decisions

Eligible farm operators have until April 15 to enroll in the 2025 farm program. Producers will need to elect either Price Loss Coverage (PLC), Ag Risk Coverage – County (ARC-CO), or Ag Risk Coverage – Individual (ARC-IC). It's important that you consult with your crop insurance agent prior to election, as your farm program decisions can impact your eligibility for some crop insurance programs.

Insurance updates

As of January 22, it's too early to speculate on the 2025 crop insurance spring price levels.

The recent rally in corn and soybean futures have offered better price levels for the 2024/2025 crop. However, for crop insurance

purposes, we are more interested in the '25 December corn futures, the '25 November soybean futures, and the '25 September wheat futures, as these contracts will establish the spring price for our 2025 crop insurance revenue policies.

Remember that the spring price for corn, soybean, and spring wheat crop insurance will be established during February and released on March 5, 2025. The harvest price will be determined using the same futures contracts during the month of October for corn and soybeans and August for spring wheat.

New in 2025 is an increase in subsidy to the Enhanced Coverage Option (ECO) endorsement. The ECO, along with the Supplemental Coverage Option (SCO), is area-based coverage that extends from your underlying policy level up to 95% if both SCO and ECO are elected.

Be aware that your farm program election (PLC or ARC) will determine your eligibility for SCO; however, ECO can be utilized with both PLC or ARC programs. With the increase in subsidy from 44% to 65%, it may be worth considering ECO in your crop insurance program in 2025.

Lastly, keep an eye on these livestock markets. Both feeder cattle and live cattle have enjoyed historic highs as of late. As for hogs, managing through 2023 was not fun. With the margins in 2024 and looking out into 2025, there appears to be opportunity to lock in profitable margins.

Now more than ever, a sound risk management plan will be key to maintaining profitability should margins become compressed. There are many ways to manage risk through futures, options, and Livestock Risk Protection (LRP). Give us a call to learn more about LRP and how we've helped many producers implement it within an existing marketing plan or as a standalone product!

And for more information on anything covered in this article, reach out to your banker directly or call me at (605) 940-6517.

2025 SIOUX EMPIRE LIVESTOCK SHOW

The annual Sioux Empire Livestock Show hosted by the Greater Sioux Falls Chamber of Commerce took place from January 21 through January 26.

PHIL DEGROOT
Ag Banking
Team Lead



As always, a good crew from our Ag Banking team, along with other local volunteers, met to get the show set up on Monday, January 20. This was a large task that involved setting up pig and sheep pens, the tie stalls for livestock, and the sale ring.

The show kicked off on Tuesday with the 4-H/FFA calf show, which was well-attended with 90 calves. Wednesday began with the Purebred Cattle Shows, along with the Supreme Row Judging of the different bulls and heifers.

First National Bank was once again the Gold Sponsor of the \$12,000 Supreme Row, where the consignor of each champion bull and heifer receives \$3,500 and the buyer receives \$2,500. This year's champions were the Angus bull from VZR Angus (first time at show) and the Angus heifer from Bullerman Angus.

Thursday brought on one of the bigger days of the week with the junior hog, junior market beef, and junior market lamb and goat shows. On Friday was the Junior Prospect calf show, with more than 100 calves again being shown.

Friday night kicked off the Sale of Champions(SOC), an event that celebrates the Farm Family of the Year — the McAreavey family from Crooks, SD — and the AgriBusiness Citizen of the Year — Glenn Muller of the South Dakota Pork Producers Council. The evening also featured a silent auction.

The highlight of the night was the SOC Live Auction, where Ryan Wieman and Ted Souvenir auctioned off the top beef calves, hogs, lambs, and goats. This year's live auction raised more than \$80,000 in premium for the exhibitors.

On Saturday was the 4-H Breeding Heifer show, with more than 180 head of calves being shown. Lastly, Sunday was a culmination of the week with Collegiate and 4H/FFA judging contests. These contests brought colleges from all over the Midwest to compete in livestock judging, along with local 4H/FFA teams.

MEET OUR NEWEST AG BANKER

I am excited to introduce the newest member of the First National Ag Team! Pyne Lenocker joined us in early December as an Ag Banker serving Beadle and Spink counties.

JOSH KAYSER
Ag Banking Team
Lead



Named after a steer wrestler and family friend, Pyne has always had close ties to the agricultural community. He grew up in Tulare, SD, and spent much of his childhood at the Redfield sale barn, which his grandparents owned at the time. From there, Pyne earned a degree in ag business from SDSU.



His prior experience includes working as an agronomist for Wilbur-Ellis, as well as seven years of ag lending between the Farm Service Agency in Spink County and another South Dakota-based community bank.

As a huge sports fan, Pyne loves to play basketball in his free time and cheer on the Vikings, Jackrabbits, Twins, and Tar Heels.

He and his wife, Kira, have two children, McCoy and Sylvie, and a bulldog, Zola.

Pyne is a great relationship builder and committed to helping farmers grow and sustain their operations for generations to come, making him the perfect fit for our Ag Banking team. He will also help us expand our reach into Beadle and Spink counties, which have been an area of growth for our ag portfolio.

First National Bank remains committed to its customers and the entire agriculture industry, and this addition helps fulfill our mission of building and strengthening relationships.

Pyne's experience with the FSA will also be a benefit to our producers and team in utilizing FSA loan programs. We look forward to what Pyne brings to our team and will accomplish at First National Bank.

If you would like an introduction to Pyne, give me a call at (605) 999-8011 and I'd be happy to set something up! Or, you're welcome to reach out to him directly at (605) 335-2928.

DARREN HEFTY JOINS BOARD OF DIRECTORS

Darren Hefty has joined The First National Bank in Sioux Falls Board of Directors, effective November 19, 2024.

Hefty is the co-owner of Hefty Seed Company, headquartered in Baltic, SD, which operates in 50 locations across 12 states. The company is recognized as the seventh-largest crop production firm and the ninth-largest seed retailer in the United States.

Hefty Brand Seed, which specializes in corn and soybeans, is one of the fastest-growing seed brands in the country. Additionally, Hefty Seed Company is a leader in agronomy consulting and training.

Hefty, a fourth-generation farmer, lives in Sioux Falls with his wife, Shelley, and their six children.

Alongside his active involvement in farming and Hefty Seed Company, he co-hosts the Ag PhD television and radio programs and produces content for the Ag PhD Insider magazine.

He also serves on the South Dakota State University Precision Ag Board and the state board for Junior Achievement.

Hefty has served on our Ag Advisory Board since 2016 and will continue in that role.