



Have you ever found yourself so focused on something that you could only see the single tree but not the forest? When we are so pinpoint focused, we miss the beautiful big picture around us. Seeing the big picture is just as important as

analyzing the fine details. In other words, what we do today will impact us down the road.

In today's environment, it is so easy to focus on the current market price and lose site of the big picture, meaning the whole operation. These times are exciting, however, we want to be sure we are making rational decisions and remember our farm operation is a marathon, not a sprint. Historically, data has shown these price levels will most likely not become the norm, but rather, an opportunity to capitalize on in the short-term. Each operation does vary. Making decisions for your operation should be based on cost structure, production, and financial management. Good managers usually find a way to be profitable by knowing their true cost of production and using discipline on expense control. Don't be fooled into thinking you have a better margin than what you really have. This can happen when you have both a grain operation and a livestock operation. You might be offsetting one to support the other.

Livestock producers, and other end users, are feeling the effects of much higher feed cost. Higher grain prices are also a key factor

in causing land values to increase. Various publications have reported that land values have increased 20% from 2019 levels. We can assume the commodity prices have directly impacted this increase and possibly the fear of an increase in capital gains in the future.

Ultimately, when looking to purchase land, which is a 25 to 30+ year investment, be careful you are not looking at the "single tree" or current commodity price for only a brief period in time. Please remember to use sound analysis to help guide you to make the right decision for you and your operation. In today's volatile world, it is simply prudent that we make sure the typical year cash flow can weather the uncertainties of any financial storm.

Your UBI Lender understands your operation is unique and will customize a financial package to best fit you and your operation taking into consideration your cash flow and personal risk tolerance. Our trained staff will give you our best and honest advice to help with decisions you might be contemplating. As your lender, we are committed to you and the success of your operation because we understand our success comes from your success.

Please find time this summer to enjoy life, make memories with your family and friends and know we are always here to help if you need anything. Thank you for choosing United Bank Iowa as your financial partner.

Jim Friel
V.P. Regional Branch Manager, Carroll

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Todd Conover

Ag Crop Insurance Specialist

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