



Most of the topics I write about in this article come from conversations or situations we see with our customers. When we see trends taking place across our regions, we share information and knowledge we think you will find useful.

What do you get when you cross a derecho with a haboob? Iowa! With the recent volatility in weather and devastating storms, now is the perfect time to review your insurance coverage. Make certain you are comfortable with your level of coverage in case of a catastrophe. Between severe storm losses and record high inflation, we have heard of situations where producer's insurance coverage is not adequate in the case of a significant loss. In most cases, depreciated values are substantially different than replacement costs. We recommend reviewing your coverage with your insurance professional and understand the level of coverage you have on property that is vital to your operation.

Agriculture, like other industries, has a cycle. This may be a life cycle of an individual's operation or an inflationary cycle tied to uncontrollable global situations taking place. I would like to reiterate some highlights from previous articles that I feel are prudent in today's cycle in agriculture.

- Have a plan in place and be ready to change or improvise as needed. Communicate your plan to others in your operation.
- Remember, your operation is a marathon not a sprint. 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.
- Know and understand your financial statement and cash flow. Review your annual trends to see the change from year

to year. Know your earned change and cash equity change on your statements. Understand the difference between a paper change and a true equity or cash change.

- Identify certain individuals who you confide in and trust. However, getting to this level is not easy and may take time. Be willing to open up and show your vulnerable side along with some potential humility knowing you need their guidance or help. Once you have established this bond they become your "go to" people. This would include the relationship you have with your UBI lender.
- Control the things you can change and know when to change the things you can control.
- What is going to be your succession plan? Succession planning is something that is built upon trust and should be started sooner rather than later. The first step is "communication", then develop a "plan of action" followed by building an "advisory group". (With the recent growth and increase value to farm operations, we will be touching on this topic again in the near future).
- Have a marketing plan and understand it. Don't go to the plate to hit the homerun. Base hits win the game.

If you would like us to discuss or elaborate on a certain topic or segment of agriculture, call your local lender or reach out to us on our website at www.unitedbk.bank by clicking on the *Resource* tab and *Contact Us* button. We would enjoy hearing what issues are important to you and the future of your farm operation.

I wish all of you a great summer and an enjoyable time at your local county fairs and community celebrations. Life is short; take the time to make memories with the ones you care about the most.

Jim Friel
V.P. Regional Branch Manager
Carroll Office



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We are proud to be recognized as the #1 Ag Bank in Iowa for the 18th year. This honor is based on information the FDIC provides to the American Bankers Association listing the top 100 farm lenders ranked by dollar volume across the nation. This ranking is a reflection of our commitment to rural Iowa, loyal customers, experienced and knowledgeable staff, and local ownership. Thank you for your business!