TOP 10 FARM PRODUCER QUESTIONS

BY KEITH KNUDSEN | PRESIDENT/CEO
SECURITY BANK, LAUREL

Here we are already in the middle of May. We hope “Plant 2017” has gone well so far! Let’s hope more cooperative weather is here to stay!

In April, some of our lending staff attended a banking conference and came back with a lot of good information regarding weather, markets, and the economy. One particular piece of information that stood out came from our long-time friend, Dr. Dave Kohl. By now you have either read some of his information from past articles we have forwarded, or you have attended one of his producer seminars in person.

THE SIXTH “C” QUESTIONS
This month, we present some important questions that every producer should ask themselves. Dr. Kohl calls these his “Sixth C Questions.” The sixth “C” is added to what is often referred to in bank lending as the “Five C’s of credit.” The sixth C stands for Cranium, or in other words, critical thinking in regard to various issues directly affecting the well-being and financial future of the farm operation.

RISK RATINGS
Those that are familiar with Dr. Kohl will recall his “green light,” “yellow light,” and “red light” categories for various metrics in terms of risk to a farm operation. With the following Top 10 Farm Producer Questions, producers who can answer “Yes” to seven or more of the following questions are considered in the “green light” or low risk category in terms of being proactive. Three to seven “Yes” answers would be considered “yellow light.” Finally, three or less “Yes” answers would be considered “red light.”
ARE YOU ASKING THE RIGHT QUESTIONS?

1. Do you know your cost of production?
2. Do you know your cost of production by enterprise?
3. Do you have modest family living expense?
4. Have you shed non-productive or non-economical assets?
5. Do you have a written improvement plan?
6. Do you practice four corners of business success? (Plan, Strategize, Execute, Monitor)
7. Do you execute a written marketing plan?
8. Do you have a handle on record keeping?
9. Do you sweat the small stuff?
10. Are you preparing for the next generation?

ADDRESSING THE CONCERNS

We encourage you to take a few minutes to give these some deep thought and jot down your answer to each question, yes or no. If doing this exercise either raises some concerns about an aspect of your operation, or you want to find out how you can better manage your risk in any of these areas, don’t hesitate to contact one of our lenders to help address those concerns. We have various tools to help, and stand ready to help you take additional steps toward success!

QUESTIONS?
Our lenders are here for you!

Laurel  402.256.3247
Osmond  402.748.3321
Allen  402.635.2424
Hartington  402.254.2455
Coleridge  402.283.4251

HONORED FOR
AWARD WINNING
BANKING PRACTICES
2016

KEEP UP WITH OUR NEWS & ARTICLES

THIS ARTICLE CAN BE FOUND AT: www.mysecbank.com/bank-news.htm

www.mysecbank.com

Equal Housing Lender  Member FDIC