

# *Progressive* **FARMER**

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## **FINDING FINANCING FOR FARMING**

- ▶ **How To Shop for a Lender Or Break Up With One**
- ▶ **FSA Loans Are Valuable Tool That Need Change**
- ▶ **4 Steps To Help Calves Stay Healthier Longer**

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# OCTOBER 2025

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*Serving Our Readers Since 1886*



ELAINE SHEIN

## ON THE COVER

Magnolia Bank's Kenneth Adams meets with Hodgenville, Kentucky, farmer Ryan Bivens.

PHOTO BY JOEL REICHENBERGER

Finding new finance options and carefully managing costs has helped farms continue to the next generation.

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# Progressive FARMER

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# Ag Financing: Past, Present, Future

WE'D LIKE  
TO MENTION



**Elaine Shein**  
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Talking about financing the farm isn't an easy topic, whether within a family, with possible lenders or even with other farmers or landowners.

However, it is necessary to communicate within families about transition between generations; to develop relationships within the community that can lead to mutually beneficial land rent or purchase agreements; and to get financial support when needed.

It is also important for lawmakers to hear how their present priorities and policies may benefit or harm farmers and ranchers—and influence what can be done to support the 1.88 million U.S. farmers so they can be more productive and profitable. Farmers and ranchers are independent and are looking for supportive financing tools, options and programs to help them when commodity prices drop and production costs rise.

The latest American Bankers Association-Farmer Mac Agricultural Lender Survey results aren't in yet. But last year's survey, done in August 2024, showed

experiences, present situations and future expectations and needs. Check out [dtnpf.com](http://dtnpf.com) through October for extended coverage on this topic, including Q&As and longer profiles.

Some of the advice we heard:

**Learn From the Past.** Whether relatives lost farmland in the past, or a banker's first job was during the 1980s farm crisis, this experience created goals to regain family land, avoid past mistakes and help protect farms from future economic challenges.

**Start Young.** Many farmers say their first experiences to manage farmland or livestock, or getting lines of credit or loans, were when they were teenagers or in their early 20s.

**Importance of Relationships.** Work to have positive relationships. Help out, show you're dependable, keep in touch, build trust and be honest. People may be more willing to offer you an opportunity to rent or buy their land, develop partnerships or lend money.

**Create New Revenue Sources.** Do custom fieldwork (spraying, harvesting), custom hauling, off-farm jobs, etc.

**Reduce Costs.** If you decide to cut back on inputs, first evaluate the impact of your decisions. For example, do soil tests before reducing fertilizers. Consider using livestock or poultry manure to replace synthetic fertilizers. Decide if it's better to hire out for certain fieldwork or do it yourself.

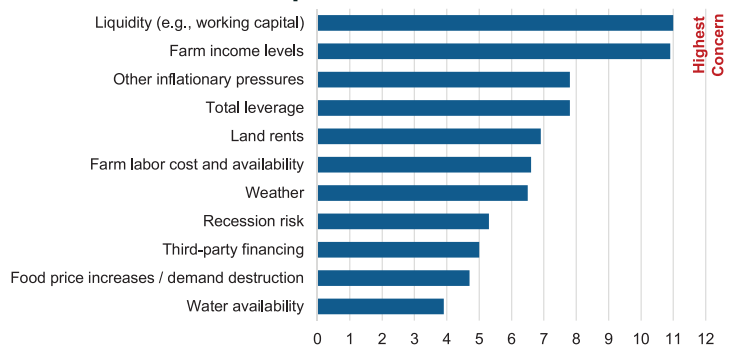
**Evaluate Machinery Needs.** Properly maintain and keep your machinery longer; buy used machinery instead of new (if you buy new, take advantage of special finance options offered); and manage capital purchases with only necessary equipment replacements.

**Invest in Ways To Be More Efficient.** These could include precision technology or even drones to seed, fertilize or spray. Some farmers have bought bagging equipment to bag harvested grain instead of erecting new bins.

**Invest in Insurance.** Insurance for crops, livestock, etc., can help to mitigate your risk, but evaluate if the premiums are worth it.

**Seek Preapproval on Financing.** This will help you to act quickly if an opportunity to buy land or equipment arises. ///

## Lenders' Top Concerns for Producers

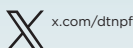
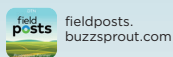


SOURCE: ABA-FARMER MAC AGRICULTURAL LENDER SURVEY, AUGUST 2024

“Lenders’ Top Concerns for Producers” were liquidity (working capital) at No. 1 followed by farm income.

If farmers want to deal with these concerns head-on, tough decisions will need to be made on how to manage costs, find new revenue opportunities and evaluate lending options.

We appreciate the agricultural producers, lenders and others who took the time to talk to our DTN/Progressive Farmer staff about the sensitive but important issue of farm finances. They shared their past



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# Frustrating Markets Stress Importance of a Marketing Plan

“Hope is not a marketing plan.” This was the message sprawled in red ink across the top of my Commodity Marketing course’s term paper a little less than a decade ago when I was a senior at the University of Nebraska. It is a mantra I’ve carried with me through my career as a grain merchant, broker and now analyst. It seems at first like an overtly pessimistic statement; after all,

is most definitely among the top mistakes I personally made through the year.

Commodity markets offer little time for dwelling on the past, however, and marketing mistakes must be quickly learned from and applied to impending market opportunities. Looking ahead from October, for those with unpriced 2025 grain, it is first and foremost important

to know what tools are available to you. As one example, I would strongly encourage a discussion with your local grain buyer on basis contracts, which allow producers to wait on pricing futures, while also avoiding costly monthly storage fees associated with delayed pricing contracts. From there, the current fundamental situation can be

paired with typical seasonality to set reasonable price targets with your broker or grain buyer.

Whether it be futures, options or cash sales, there are several avenues for navigating price risk for your operation. No matter your tool of choice, being both realistic and adaptable are characteristics of a successful marketing program. The best advice I could give is to be consistent with sales: 10 to 20% at a time will surely keep you off the low. Small portions will also help you to resist the urge to move orders higher and avoid chasing the market on missed orders. As I am still learning, sound marketing requires an abundance of discipline, vigilance, and of course, a little hope is OK, too. ///



agriculture in general is an industry built year in and year out on hope. Hope for rain, hope for the safety of operators and hope for profitable prices. In the case of the latter, I would expand the phrase to “Hope alone is not a marketing plan.” Of course, we all hope for ample opportunities to lock in profitable prices, but planning ahead is crucial in maximizing efficiency while ideally minimizing stress.

The 2024–25 marketing year could very well go down as one of the most challenging years for grain markets. Especially in the corn market, official USDA ending stocks relative to demand pointed to a much more bullish situation than prices ever reflected. Additionally, typical seasonal price tendencies went relatively ignored. If there was a lesson to be learned from the past year, I suppose it would be the need for flexibility and adaptability in one’s marketing plan, which

□ *Talk to your local grain buyers on basis contracts and look for impending market opportunities.*  
ELAINE SHEIN



**Rhett Montgomery**

Lead Analyst

► Read Rhett’s blog at **ABOUT.**

**DTNPF.COM/**  
**MARKETS**

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# Off-Farm Jobs Won't Salvage This Farm Crisis

In the 1980s, when times got tough, many farmers went to town to find jobs or drove a truck in the winter to pay the farm's bills.

"There's no job we could go to, if we come up short, to make ends meet" in today's job market, says Ryan Bivens, a first-generation farmer in Hodgenville, Kentucky.

If a farmer took a job now with an average salary, which is about \$66,000 per year according to the Social Security Administration, it wouldn't be enough to cover the interest payment on a \$1-million operating note at today's rates.

What's more, as competition for farmland grows and prices rise, it's harder for farmers to buy the asset that could ultimately lead to better profit margins by lowering land costs.

"I'm afraid we're getting ready to lose a generation of farmers," Bivens says. Part of his fear is that bankers with experience from the 1980s farm crisis are retiring.

Bivens is grateful that his lender worked on special assets, another term for troubled loans, in the 1980s, because it gave his banker long-term perspective.

"We're losing that institutional knowledge," Bivens says, adding that crop operations that worked through their debt in the 1980s emerged on the other side as bigger, stronger operations today. Bivens explains how his banker helped him grow the farm from an FFA project into a 10,000-acre operation in "Lessons From a Bank Breakup," on page 24.

At the same time, farmers have more financing options than ever before. Beyond traditional banks and Farm Credit organizations, private equity-backed lenders offer terms that rely on things like crop insurance and hedging strategies. Input supplier and vendor financing can free up operating notes to pay other bills. You can read more on the evolution of agricultural financing in "Shop for a Lender," on page 22.

The change in agricultural finance has been stark, not just since the 1980s but even in the last decade, says John Mamam, Nutrien Financial's senior director of North America.

"We have a lot more tools and resources to be more successful," he says. "We have better transparency to see all of our finances." ///

## NOTICE OF ANNUAL MEETING OF STOCKHOLDER-MEMBERS OF SOUTHERN STATES COOPERATIVE, INCORPORATED

### TO: The Stockholder-Members of Southern States Cooperative, Incorporated

The Annual Meeting of the Stockholder-Members of **SOUTHERN STATES COOPERATIVE, INCORPORATED**, will be held at 6606 West Broad Street, Richmond, VA 23230 on November 5, 2025, beginning at 10:00 A.M. Eastern Standard Time, to hear reports from the Board of Directors and Management and to transact such other business as may come before the meeting, or any adjournment or adjournments thereof.

By Order of the Board of Directors  
*Charles W. Payne, Jr., Secretary*



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## *Know your numbers, create a plan and be honest about your finances.*

**A**s Lee Brooke sits on the porch of his farmhouse north of Clarinda, Iowa, the fifth-generation farmer and his wife, Darla, welcome home two of their grandchildren who step off the school bus that delivers them only a few yards away. The kids chatter about their day, and Brooke proudly shares that his newest grandson was born less than three weeks ago.

Brooke farms with his son, Logan, 27, and hopes someday Logan's newborn son will be the seventh generation to farm this land of rolling hills with a mix of cropland and pastures in southwest Iowa.

Brooke, 63, has been building up and making changes on this farm that his great-great-great-grandfather first started in 1869, only a half-mile away from where he and Darla now live. By the time Brooke's great-great-great-grandfather passed away in the early 1900s, it was about 1,200 acres. But, with 12 children, the original heritage farmland was divided among them. Brooke's mother's grandfather, the youngest of the 12, managed to get the homeplace.

Through the generations, Brooke's ancestors worked to gain back some of the original land. His mother, at 91, still owns 200 acres of the original homeplace, and Brooke finally got a chance to buy back 160 acres of the original land that joins it in 1998. He says he felt emotional buying the land. "When I had a chance to do this, it's like, you've got to do this," he says. "You don't get to do this very often."

## > PRECIOUS FARMLAND

Land remains precious, especially to the 95% of U.S. farms that remain family farms. The 2022 Census found there are fewer farms, but very large farms increased by 65%. Overall, U.S. farms declined 8% (almost 159,000 farms) to 1.88 million farms between 2017 and 2022.

The USDA's National Agricultural Statistics Service recently reported the value of all agricultural real estate—which includes land and buildings—rose an average of 4.3% in 2025 to \$4,350 per acre. Cropland value nationally averaged \$5,830 an acre, up 4.7% from 2024; while pasture's average was \$1,920 an acre, up 4.9% from a year ago (visit [www.nass.usda.gov](http://www.nass.usda.gov) for more information). Also, the national average cash rent increased by \$1 per acre to \$161.

› By Elaine Shein, @elaineshein

Iowa has almost 84% of its land in farmland. The state ranks second in the Top 10 farming states by cash receipts and third by total number of farms. In 2025, Iowa's overall farm real-estate value rose 3.9% to an average of \$9,790 per acre, and the average value of cropland increased by 5.1%. The average rent is \$274 an acre for nonirrigated and \$267 for irrigated. This compares to 2024 when it was \$276 for nonirrigated and \$271 for irrigated.

As farmers remain eager to purchase or rent land, it remains critical to obtain enough financing for land, working capital, operating loans, equipment, input costs, labor, insurance programs, livestock, buildings, etc. Rising land costs, low prices on grain, sharply higher input prices and market instability because of tariffs and various wars in the world make profit margins even tighter for farmers.

"I think everybody's a little nervous," says Dan Comer, regional president for the Southwest Region of Bank Iowa, in Clarinda. "You have \$4 corn, and you raise 200 bushels ... that's \$800 gross per acre. You have \$300 (to pay per acre) in cash rent. That leaves

\$500 an acre to put your crop in and take it out with not much left. Fertilizer costs, seed, technological costs, your power costs, all continue to rise and eat into profitability."

Weather can always be a wild card. This year started with varying degrees of drought stretched through the

heart of the country from the Plains all the way to Texas.

Troy Nielsen, 57, and his son, Drew, 32, farm near Shenandoah, Iowa. They worried when the state began the season almost totally under drought.

"I've never planted so deep in my life," says Troy, as Drew adds, "It was like pixie dust, it was so fine." They planted their corn and soybean seeds an inch deeper than usual. But, while rains transformed Iowa into being almost totally drought-free by early September, saving the Niensens' crops with timely rains, the states south and east of Iowa will see increasing dryness and drought concerns entering fall, according to the U.S. Drought Monitor Map. In fields where the summer turned hot, wet and humid, diseases, such as southern rust, tar spot and sudden death syndrome, have emerged.

## › FARM INCOME EXPECTATIONS

In early September, USDA's Economic Research Service released an updated look at farm income and finances, and projects net farm income to rise nearly 41% in 2025—at \$179.5 billion for 2025, \$52 billion higher than 2024—despite financial challenges crop producers face. "If the net farm income holds, it would be the second highest recorded, following \$197.7 billion in 2022," reports DTN Senior Ag Policy Editor Chris Clayton. However, he explains the higher numbers are mainly because of an injection of government payments and high livestock prices. "The top driver for higher net farm income would be direct government payments, which are projected at \$40.5 billion in 2025, a \$30.4-billion increase from 2024. Government payments are the highest since 2020, the height of the pandemic," he says.

## › SEEING MORE STRESS

Jim Plagge, Bank Iowa CEO, says more financial stress is being seen this year, although even higher levels were expected. His bank has 24 locations, with 21 of those in rural Iowa. The renewal season for farm financing usually starts in November after harvest and wraps up in March. "We thought we'd see more problems in this last renewal," he says. "I was expecting that we would have to restructure some



ELAINE SHEIN

□ *Father and son Lee and Logan Brooke farm land first owned by their family in 1869.*

ELAINE SHEIN

ELAINE SHEIN

debt.” His bank worried farmers wouldn’t have enough crop proceeds to pay off their operating line of credit that was used to pay expenses to put the 2025 crop in; the bank was prepared to help farmers with carryover debts to ensure their long-term viability.

Other bankers shared Plagge’s concern, according to the annual Agricultural Lender Survey done in August 2024 by the American Bankers Association and Farmer Mac, and released late last year. The lenders’ top concerns for producers (from highest to lowest) were their liquidity, farm income levels, other inflationary pressures, total leverage, land rents, farm labor cost and availability, weather, recession risk, third-party financing, food price increases/demand destruction and water availability.

AgAmerica’s “2025 Economic Outlook for U.S. Agriculture” report projects debt levels to rise, and short-term variable loans to carry more risk, and adds that economists expected modest return from the economic downturn to start in 2026.

But, Plagge says farmers aren’t needing to restructure. “Everybody pretty much hung in there. I won’t say it was a tremendously profitable year, but we didn’t see any significant financial disasters.” He adds that starting about five years ago, his bank even began to see farmers using their lines of credit less extensively than previous years.

Yet, for 2025, Plagge says Bank Iowa still projects it to be a bit of a tough year. In cash-flow projections for producers, relying on Farm Service Agency (FSA) numbers, the bank projected \$4.30 per bushel on corn and \$10.40 on soybeans. “Those prices now look too high,” he notes. “You can forward-contract new-crop corn for \$3.70 and new-crop beans for \$9.50.” The average yields the bank projected in early 2025 across its portfolio was for 197-bushel corn and 56-bushel-per-acre soybeans. “We certainly expect those yields to be achieved, and barring any sort of disasters between now and harvest, I think they could be exceeded substantially.”



Jim Plagge

COURTESY OF BANK IOWA

USDA’s August “World Agricultural Supply and Demand Estimates” report forecast a record corn crop of 16.7 billion bushels (bb), with record yields of 188.8 bushels per acre



ELAINE SHEIN

□ *Drew Nielsen (left) with his dad, Troy, farm together to find ways to better manage costs and market their grain.*

(bpa), and soybean yield up to 53.6 bpa and 4,292 bb of new crop. This led the farmgate price for the 2025–26 corn crop to be lowered 30 cents to \$3.90 a bushel, while the national average farmgate price for soybeans

was unchanged at \$10.10 per bushel.

So, even though the lower prices would be a concern in a normal year, the higher yields will help farmers pay bills—even though a robust crop could cause prices to drop even more.

## > TRADE CONCERNS

Concerns about tariffs for U.S. agricultural exports are leading Bank Iowa to encourage some sort of forward contract and hedging to offer more stability or certainty for what farmers’ revenue is going to be, Plagge explains.

As for cattle, the low inventory nationally and high prices have challenged cow/calf producers to decide whether to sell their cattle, retain heifers or be conservative in their replacement plans.

“There are varying degrees of how aggressive producers are in forward-contracting or hedging. We basically monitor the liquid equity per head, and if they’re in a strong position, then we don’t dictate what their marketing plans do,” Plagge says.

## > IMPORTANCE OF PLANS

Developing business plans is still crucial to getting financing from lenders, as well as helping ensure success of your farm.

Plagge stresses it’s important to have debt structured properly, such as the length of time and what to use it for. “Oftentimes, what we see with farmers who are in financial trouble is they just don’t have structure to anything.”

The Brookes carefully expanded their pasture, hay ground and row crops to now close to 3,500 acres, leased and owned in southwest Iowa. Of that 3,500, son, Logan, >

owns 160 acres and rents 500. The family owns about 40 to 50% of the land, does some custom work, runs a 270-head cow/calf operation and feeds them out.

Troy Nielsen's great-grandfather made tough choices during the Depression. The great-grandfather had a tract of 100 acres in southwest Iowa that he was paying on and owed \$50 per acre but gave it back to the bank to save his home and 240 acres he owned since 1917. The land he retained later went to Troy's uncle.

As for Troy, 1988 was a drought year and tight on money. His father became ill in 1989, when Troy was 21—the same year Troy got married. His dad died in 1990, leaving behind machinery debts and hospital bills to pay. “The bank, to this day, I appreciate them,” Troy says. “The owner of the bank said, ‘Troy will pay it off,’ and I never forgot that.”

Determined, Troy worked off-farm construction jobs, farmed on weekends or at night on land he rented from one of his relatives, and entered partnerships or other renting/buying opportunities on hog barns and land. Eventually, he was able to become a full-time farmer and purchased his first land in 1993. This path taught him to be careful with finances and planning. It also prepared him for the hog price crash in 1998. In the early years, Troy kept machinery to a minimum: two tractors, a combine, two heads, a planter. Enough to plant and harvest. He hired out the spraying and trucking until he bought a truck in 1995, and he hauled grain to supplement income.

Troy became the owner of the 240 acres that his great-grandfather once owned in the early 2000s, and as for the land that had been lost during the Depression, Troy finally bought that 100 acres in 2002. It's where Troy now resides.

His son, Drew, started to help when he was in high school, eventually coming home to farm full time after attending Iowa State University. Drew applies to this day what he learned from his grain-marketing and business-management classes.

Drew and Troy own three semis, have a self-propelled sprayer and invested in some needed used machinery. Troy and his wife, Kelly, own close to 1,800 acres and rent another 1,200 to 1,400. Drew owns 40 acres and rents 1,000. The Niensens also custom-farm 1,000 acres. To manage costs, they've cut back on fertilizers and bag grain. They use various insurance programs to reduce risk—Risk Management Agency policies, such as Agricultural Risk Coverage (ARC) or Price Loss Coverage (PLC); wind and hail insurance; and occasionally Band Revenue Protection.



Nathan Zimmerman

COURTESY OF AG LEADER

Lee Brooke and his son, Logan, also plan to reduce their fertilizer applications. They use hog and cattle manure where they can, hang on to equipment longer, treat their own seed for planting and carefully manage their capital costs with only necessary equipment replacements being made.

The Brookes and the Niensens stress the importance of being honest with lenders, building up trust, checking out different lending options and not being afraid to

change lenders, if needed.

## > PRECISION TECHNOLOGY

While today's economic environment has farmers buying more used than new equipment and maintaining and holding onto their equipment longer, they have been investing in newer precision technology for their tractors, sprayers or planters, often with the help of a dealer, bank or other lending options.

Both the Brookes and the Niensens use precision technology because they see it as a good return on investment, helping them be more efficient with seeding, spraying, fertilizing and other needs.

Nathan Zimmerman, eastern regional sales manager for Ag Leader, says his company has different financing options for farmers. In the U.S., the company saw “a pretty decent jump in financing activity in 2024.” Ag Leader offers financing options in partnership with two finance companies.

Zimmerman says it comes down to personal preference for farmers, as well as the total cost of what they're buying and how long they want to spread out their cost. “I think when things get [financially] tight, like they are right now, they're investing in things that show an ROI [return on investment],” he says.

Besides his sales job, Zimmerman, 36, two years ago took on the responsibility of the majority of the work on the family farm he shares with his parents in central Illinois.

His friends in the banking industry who helped him get loans for farming advised him to have a business plan and an idea of estimated costs and revenue for the year ahead. He learned to know his numbers, make the investments that are necessary and be careful with the equipment he purchased. “I made some investments in some equipment, not so much that we needed it but because I needed to manage my time more wisely. So, I needed to get across more acres a little bit faster,” he explains. He invested in a bigger sprayer and Ag Leader's technology to do the job, and is already seeking financing for 2026's crop inputs. ///

# Shop For A Lender

*Lenders offer new credit opportunities as farmers focus on preserving cash.*

Farmers may be harvesting the 2025 crop, but they're preparing for 2026, too. While most look for deals on next year's seed, chemicals and fertilizers, many will also shop for lenders and compare the cost of capital closely.

"It's challenging, at times, out there," says Matt Falk, chief financial officer (CFO) for his wife's family farm as well as a fractional CFO for several large, primarily cash rent operations. "The farmer is trying to manage cash-flow however they can, and so having access to credit, even if they don't use it, is very helpful."

After several years of near- or below-breakeven profits, farms in crop-heavy production areas are repaying their non-real estate loans at a lower rate, according to survey data from the Kansas City Federal Reserve. Data shows demand for operating notes is rising.



COURTESY OF MATT FALK

*Fractional CFO Matt Falk helps farmers manage their relationships with lenders as well as make good financial decisions.*

*As farmers start buying inputs for the 2026 crop, how they plan to pay for it is just as important as what they buy.*

"Obtaining and ensuring we have an operating line of credit is always the most important thing," Falk explains,

"because if a farmer doesn't have a loan, then they don't have a farm."

For some, 2026 will be business as usual. For others, it may mean restructuring debt with their current lender to obtain next year's operating note. For a few, it may mean finding a new lender altogether.

Cash isn't necessarily king in this environment, says David O'Malley, manager of agribusiness and aftermarket for John Deere Financial North America. "There's

not a lot of it out there, and if you do have it, it's probably best to hold onto it and use alternative sources of financing and capital."

## > BEYOND THE BANK

Without large portfolios of farmland to use as collateral, many of Falk's clients are limited to a handful of nontraditional lenders, like Ag Resource Management, FarmOp Capital, Conterra and others. These tend to be private-equity-backed organizations that lend based on your anticipated production, crop insurance and future cash-flows.

These types of lenders, when combined with vendor financing and individuals, hold roughly 10% of U.S. farm debt, according to data from USDA's Economic Research Service. As of 2023, 46% of farm debt was held by the Farm Credit system, 35% by commercial banks and 3% by USDA's Farm Services Agency.

Kansas State University Flinchbaugh Agricultural Policy Chair Jennifer Ifft says she thinks alternative and vendor finance's share of farm debt is larger than currently reported.

"We hear that demand for alternative financing is through the roof," she says, but since these companies are not subject to the same reporting requirements as banks, it's difficult to assess how popular they are.

Keir Renick, CEO of FarmOp, says businesses like his don't take customer deposits, so they can operate without the same level of regulation as banks.

Renick says private credit lending has been around for 40 years in the commercial real estate and corporate lending space.

“I think ag has just been a little bit behind because it hasn’t really needed it, in my opinion,” Renick adds, stating that the creation of Farm Credit solved many of farming’s lending struggles until “the catalyst of young farmers that are renting more ground” presented different lending needs.

## > DIFFERENT WAY OF DOING BUSINESS

Doing business with FarmOp or any of the alternative lenders is different in a lot of ways, Falk says. While they carry higher interest rates than what you can find at a bank, their timing and structure allow farms to buy inputs at optimum times.

“In an ideal world, you would have a lender capable of opening a 2026 line of credit in late 2025,” Falk says. This is an advantage FarmOp and others have since traditional lenders may want end-of-year financials before renewing. One of the farms Falk manages saved 14% on seed last fall because it could prepay using the operating line for his upcoming season.

He says he finds nontraditional lenders take less time to underwrite loans but are more involved in the operation. Rather than being able to draw on a line of credit for any cost, most break costs down into subcategories, like rent, seed, inputs, etc., and make the funds available during specific time frames. Checks for large expenses, like rent, will be cut directly by the company.

“It takes a bit of getting used to,” Falk says, adding that it’s how these companies “prove to their funding source that the loan is well-managed.”

In addition to being involved in crop-insurance decisions, they’re often involved in the hedging of grain and monitoring inventories, since this is their collateral.

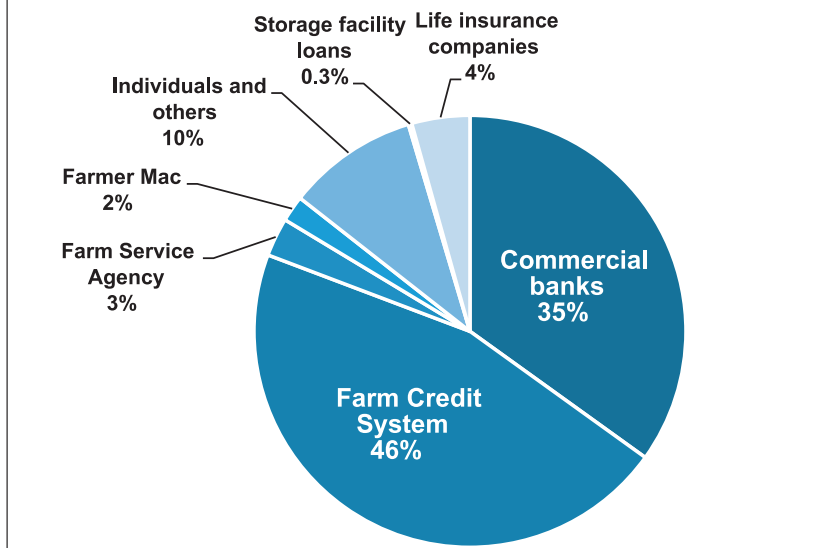
## > LEAN ON SUPPLIER CREDIT

Falk says his clients regularly use credit from suppliers and vendors alongside their operating note to manage their cash-flow, whether it’s to secure discounts on products, earn lower interest rates or secure repayment terms that fit with their production schedule.

John Maman, Nutrien Financial’s senior director of North America, says these unsecured lines of financing can free up the primary operating note to pay for critical expenses like rent and labor. There are a wide variety of programs available, but they all vary by product and brand.

“It’s not that individuals fail to use these programs because they’re not beneficial,” he says. “They fail to use these programs because they don’t know they exist.”

Share of Total U.S. Farm-Sector Debt Held by Lender Type, 2023



SOURCE: USDA ECONOMIC RESEARCH SERVICE

Deere’s O’Malley says their interest rates for crop inputs, parts and service are significantly lower than what farmers can find from banks and traditional lenders.

Farmers also have more tools than ever to research what’s out there.

**InputFinance.com** was launched by John Deere Financial to help farmers locate the best offers, rates and terms for seed and crop-protection products. A digital calculator is integrated to analyze how much interest you can save versus your operating line of credit at the bank.

“For example, a \$100,000 crop input purchase at 1% interest would save a farmer over \$9,000 a year in interest and would not be due until after the 2026 harvest. Lower overall interest costs and improved cash-flow ultimately help a grower lower their cost per acre as they work toward a profitable season,” he says.

Maman says the amount of transparency and resources farmers have to navigate these programs is at an all-time high. But, while the digitization makes it easy, sometimes the best approach is old-fashioned.

“If you have trusted advisers, put them in that combine with you and talk about this stuff,” he says, adding it’s an especially good time to include retailers, because fall is often when the best promotions are available.

Falk adds that farmers will be looking for all possible sources of savings this year.

“Any little spot to help with profitability or to cut costs is helpful,” he explains. “It’s absolutely, positively tough times out there in ag.” ///

□ Experts worry that farm debt owed to “individuals and others” is understated because nontraditional lenders and vendor financing are subject to different reporting requirements than banks.

# LESSONS From a Bank

## BREAKUP

*How a contentious breakup with a lender put this Kentucky farmer on a path to stronger financials.*



**R**yan Bivens' first crop was an FFA project in 1994. By 2013, the farm he built in Hodgenville, Kentucky, was stretching his bank's lending capacity. The first-generation farmer had finally grown his business and reputation enough that a major lender wanted him as a client.

It seemed like a great deal. His new lender got behind all his ambitions: a refinance on the home farm, a loan to build new grain bins, a revolving operating line large enough to support his growth and funding to buy the 400-acre farm across the road.

Bivens' original banker understood, wished him luck and sent him off with a warning: Beware when the pendulum swings.

"For the first couple of years, things were great," Bivens, now 46, explains. "Then 2016 hit, and we had a bad corn crop."

Finances were tight the next few years, but Bivens still made his payments. His lender wanted him to sell the farm across the street and corn at a loss to make payments. He felt micromanaged. The personal relationship with his lender went sour.

"I was trying to work with them, but I wasn't working in the direction they wanted me to work," he says. "I finally knew the divorce was going to happen in 2019, when my youngest son had a bad accident here on the farm."

Bivens' original banker called less than 12 hours after his son's helicopter landed at the hospital in Louisville, offering to help any way he could, even though they did very little business together. Bivens didn't hear from his new lender until the next week, and after polite inquiries, the lender wanted to know when Bivens would make a payment.

Ultimately, Bivens and the lender reached a legal settlement in 2020 as part of their separation, and to comply, he cannot name the lender or the affiliated institution. But, just like a divorce in a marriage, the experience changed the way Bivens thought about finances.



Ryan Bivens

JOEL REICHENBERGER

### > TOUGH TIMES MAKE YOU STRONGER

After Bivens' dramatic breakup, he returned to his original banker. That bank had eliminated some of the challenges that sent Bivens looking for a new partnership. He kept the contentious land loan with the other lender but had otherwise severed ties.



GETTY IMAGES; PHOTO ILLUSTRATION BY BARRY FALKNER

Ending a bad banking relationship can sometimes be a step toward future success.

It turned out that Bivens' business wasn't in as tough a financial position as he had thought. Bivens set a new goal of funding his operating costs without a loan, which he did in 2021. He thought he'd stay on that path until he had the opportunity to rent 1,600 acres from a retiring farmer the next year.

"I keep a small (operating) line today," he says. "We've increased our working capital position greatly, and we've bought a few more farms since then."

When Bivens was in college, he knew guys that came from large farming operations but didn't want to go into the family business. "It just killed me, because I felt like I'd give anything for that. But, looking back now, yes, things have come a whole lot harder, but I appreciate things a whole lot more."

## > RELATIONSHIPS MATTER

Bivens credits his banker's support early in his career for a lot of his success. While they didn't always agree, his banker believed in him and his goals.

"It's more about the relationship you've got, in my opinion," Bivens says. "When you do hit hard times, you have that working relationship with somebody. They understand things. They've seen your past performance, and they're more willing, I think, to work with you than

whoever it was that came and offered you a little better interest rate."

Last winter, Bivens flipped through his year-end balance sheets going all the way back to January 2005, when he purchased the home farm. With a debt-to-asset ratio of nearly 50%, he's surprised he was able to get an operating loan.

He thinks his banker "looked at it through the lens of, 'This guy is improving,'" Bivens says. That might be tougher to do with lending standards today, but for him, it made all the difference.

## > HAVE A BACKUP PLAN

While Bivens is very happy with his current banking relationship, he's also prepared in case something happens. His banker is retiring, and even though he likes his replacement, it's always possible that something could change.

"I've got another lender that I currently don't do business with, but I share my financials with them every year just to keep that knowledge and relationship built," he says, joking that he reminds his current banker of this fact frequently.

After his experience, having a backup plan is comforting. There'd be nothing worse than not getting an operating note renewed right before the start of the season when you'd need to be buying inputs, but instead you're courting new lenders, Bivens says.

"You always need to have a Plan B," he adds. "That's one thing I learned. I got too comfortable with my Plan A."

## > IT WASN'T ALL BAD

While there are parts about the breakup that Bivens is still bitter about, his feelings have softened toward the institution, and he's grateful for all of the good things that happened in his business because of it.

"Oftentimes, you look back on something, and it makes sense, even though at the time you were madder than a hornet," he says. "Down the road, you figure out that, hey, if that had happened, this probably wouldn't have happened."

Bivens started his farm with zero owned acres, a strong work ethic and ambition. He now raises corn, soybeans and wheat on more than 10,000 acres and works with more than 80 landowners. He was elected to the Kentucky House of Representatives in 2025.

"I've been told 'no' more than I've ever been told 'yes,'" he says. "Never, never, never give up." ///



EVAINE SHERIN

# Financing For Young Farmers

*Personal stories highlight how some got their start.*



□ Luke Garrabrant, 29, cash rented 20 acres from his grandmother's land when was 13.

COURTESY OF LUKE GARRABRANT

Introduction to farming is different for every young person. There are nuances to each opportunity, variables that change career trajectories and challenges that either make or break young producers.

Johnstown, Ohio, farmer Luke Garrabrant, 29, started cash renting 20 acres from his grandmother's land when he was 13 while paying a custom rate to his dad for use of his equipment to grow crops. A Craigslist ad to rent 200 acres of farmland caught Garrabrant's attention while he was finishing high school; with some savings in hand, Garrabrant went to the bank to get an operating loan with his father as the cosigner.

"Without equity or owning any equipment myself, I wouldn't have gotten that loan without my dad. It was a 'Here's your chance, don't blow it' kind of thing," he says.

Along with his father's signature, Garrabrant also had a good financial relationship with the local bank and his ag lender—people in his community who essentially watched him grow up in agriculture. At 17, he secured his first operating note.

## > BUILDING EQUITY

Garrabrant started to work for himself in his early 20s. Around then, he began a farm services business to sell and custom-apply chicken litter from a local poultry facility.

"That's what gave me my start. It wasn't the farming, it was having that secondary income to help support the farm and complement it," he says. Saving money earned from the manure business, Garrabrant started to buy equipment to build equity for future opportunities.

"It's no secret that equipment depreciates over time, but it's a good way to start building your assets," Garrabrant says. "Especially if you buy them secondhand at a lower cost."

Having high-value assets catapulted his eligibility for loans without a cosigner. Through Farm Credit Services of America's Guaranteed Loans Program, coupled with his local bank, Garrabrant was able to buy his first farm.

Garrabrant now grows corn, soybeans, wheat and hay on 1,300 acres of mostly rented land, while continuing to operate his poultry litter spreading business. The farm employs four full-time employees and a few part-time workers.

## > RETURN TO FARM

Tanner Hento was in graduate school, and his brother Scott had an off-farm job, when their parents both died within four months of each other. This led the brothers to return to their fifth-generation farm at

Avon, South Dakota, in late 2012. Now, the brothers farm 2,200 acres of soybeans, corn and alfalfa, an operation that has more than doubled since its beginning.

Hento, now 35, says low commodity prices might be an opportunity for young and beginning farmers to get started rather than pushing them away from agriculture. “Don’t look at corn being \$3 as a negative, and it being the final blow; look at it like an opportunity. This is the time where I can talk to my neighbor across the road or a few miles away in their 70s and say, ‘Hey, I would love a chance,’ and that might be the push.”

### > CREATE OWN PATH

Third-generation young farmer Lillie Beringer, 29, raises cattle on her family farm at Cascade, Iowa. After Beringer moved home from college, her parents didn’t have a full-time position for her on the farm, but that



Tanner Hento

SUSAN PAYNE

didn’t deter her from a return to her roots. Instead, she brought something to the table.

“I started a beef program with the hope of, if I bring in this realm of income for myself, this will be able to get me farming full time. I had to create my own path,” Beringer says.

Along the way, she had an opportunity to buy her grandfather’s legacy land, but she faced loan rejection three times. “I thought we were going to lose everything we’ve always had our whole life,” she says.

Beringer tried applying for Farm Service Agency loans to secure the land but was rejected. However, she couldn’t accept no for an answer: She went back to the drawing board.

“I couldn’t buy the farm, put the fence in, put the water in and buy the extra cows all at once. So, we did a custom-lease with a farmer who owned the cows, and we did a cash share, which, in the end, is how I got loans approved, we had the cash-flow,” Beringer says. ///



Lillie Beringer

SUSAN PAYNE

## Strategies for a Strong Start

Applying for loans and financing may be a challenge for young or beginning farmers, on top of having multiple streams of income to stay afloat.

Ohio farmer Luke Garrabrant, 29, has faced hurdles along the way since he started farming at 13, but his strategies and sound financial decisions set him up for success.

Here are some of the strategies he says he used for a strong start:

➤ **Cosign the loan.** Saving income from growing crops on cash-rented 20 acres of land gave him an upper hand when applying for an operating loan at 17. Having a cosigner helped seal the deal. “I’m not sure I would have gotten (the loan) without my dad as a cosigner, especially being that young and having no credit history.”

➤ **Make sound financial decisions.** To provide financing, lenders look at the sound financial decisions that young farmers have made or will make once the loan is secured. “Prove that you’re in control of what you are doing. Show that

you have a plan, how you want to pay for something or why you think this is going to work.”

➤ **Books done right.** An important part of farming is making sure business records are accurate. “Make sure your books are kept up and kept well. Make sure your records are detailed and accurate.”

➤ **Save on machinery, work.** Garrabrant purchased equipment to build equity. He strongly recommends young or beginning farmers buy maintainable equipment rather than renting or custom-hiring. “Even if you can’t have the newest, nicest thing, having your own equipment and doing the work on your ground saves money. Over time, those expenses add up, and keeping as much money in-house is a huge thing.”

➤ **Listen, learn and observe.** Taking the time to listen, learn and observe from other successful operations is a key strategy to create and maintain a successful operation. “Observe what they’re doing and how they’re doing it. There’s so much you can learn from that.”



# Bridging the Credit Gap

*Farmers and bankers back FSA loans but also see a need to modernize.*

**F**or beginning farmers looking to establish credit or other producers facing challenges with today's interest rates, the suite of loan programs offered by the U.S. Department of Agriculture could be an attractive alternative.

Farmers, rural bankers and Farm Credit lenders are increasingly turning to Farm Service Agency (FSA) loan programs. Still, everyone would like to see improvements, such as higher credit limits, more flexibility on guarantees and faster approval times. Nearly everyone agrees FSA's loan limits—spelled out in the farm bill—do not reflect the realities of modern agriculture. FSA's approval process also can be slow and tedious.



FSA offers direct loans through its offices and loan guarantees through lenders. The benefit of direct loans is they have lower interest rates than offered through commercial banks or Farm Credit. In August, for instance, an FSA direct operating loan charged a 5% interest rate, while a direct farm ownership loan charged 6% interest. FSA loan rates fluctuate depending on Federal Reserve moves.

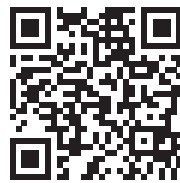
FSA also offers loan guarantees to lenders, which includes its Preferred Lender Program. The benefit of a loan guarantee is that the credit line could be substantially larger—up to \$2.2 million for a guaranteed operating loan versus \$400,000 for a direct operating



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Watch the Video



NATIONAL FARMERS UNION

**John Wicks (right), a farmer in northern Montana, testified to Congress earlier this year about his history with USDA loan programs. Loan approvals are often slow, even if family members are selling the farm to a son or daughter, he said.**

“That not only saved our harvest but also helped me build equity in our operation,” Wicks says.

Talking about succession, he says an FSA Farm Ownership Loan made it easier to take over his family farm and the generational debt tied to it “to a relatively safe loan option.” Still, the farm ownership loan took months even though the seller was his

mother, Wicks says. He didn’t have to worry about losing the land, but that would not work trying to buy land from outside the family. His mother’s bank also was willing to wait for the FSA process.

“It was kind of a hard process to go through from start to finish, and it takes quite a bit of time,” Wicks says. “If you were in a situation where somebody was forced to sell quickly, I don’t think it would have been quick enough to get a deal done.”

But, an FSA loan typically isn’t practical in a situation such as a farm auction in which the sellers want to close a deal in 45 to 60 days.

A preapproval option would be a lot more convenient. With loan guarantees and cosigners, a farmer would then be in a better position to pull the trigger when a land sale comes up.

“That would be a really great tool for young producers and really for established producers who are trying to expand,” Wicks says. ▶

loan. Guaranteed loans also give producers the opportunity to establish a business relationship with their local bank or Farm Credit lender. The downside of a guaranteed loan is the farmer’s interest rate could be significantly higher. USDA allows guaranteed lenders to charge up to 6.75% above the Department of the Treasury rate for a loan up to five years, or 5.5% higher for extended loans such as farm ownership loans.

## ➤ FARMER PERSPECTIVE

Montana farmer John Wicks received his first FSA loan to buy cattle when he was 14 years old, and that eventually helped finance his college costs. He also was able to buy a combine quickly with an FSA Beginning Farmer Loan when the farm’s combine broke down at the start of harvest. At the time, he says his bank was unable to extend another line of credit.



GETTY IMAGES

Congress will more than likely make some adjustments to Farm Service Agency (FSA) loan programs when lawmakers get around to writing several sections of the farm bill, such as the credit title, which was not addressed in the One Big Beautiful Bill Act signed by President Donald Trump in July.

The House and Senate have both introduced bipartisan bills that closely align on proposed changes to FSA loans.

#### Some possible revisions include:

- > **FSA Direct Ownership Loans:** Increase the \$600,000 limit to \$850,000.
- > **Guaranteed Ownership Loans:** Raise from \$2.2 million to \$3.5 million, and index the cap for inflation.
- > **FSA Direct Operating Loans:** Increase from \$400,000 to \$750,000.
- > **Guaranteed Operating Loans:** Raise from \$2.2 million to \$3 million, and index the cap for inflation.
- > **Microloans:** Double the limit from \$50,000 to \$100,000.
- > **Refinancing:** Allow distressed guaranteed loans to be refinanced into direct loans.
- > **Expand EZ Guarantee Loan Program:** This would allow for faster approval times.
- > **Eligibility:** Adjust requirements for FSA Direct Ownership from three years of farm management to one year of experience.

This point repeatedly comes up in the case of a land auction that requires closing the sale within 60 days. That typically is a lot quicker than it takes to close an FSA loan.

“You might have somebody outbid you while you are going through all the loan approval,” he says. “Preapproval would be great.”

Wicks called on Congress to adjust loan limits and make it more feasible for farmers to restructure their debt. He also feels it’s important to accelerate the speed of loan approvals.

### > BANKER PERSPECTIVE

Brian Gilbert, vice president and ag banking manager at First National Bank, Sioux Falls, South Dakota, says his bank relies on FSA loan guarantees especially for beginning farmers. The guarantees allow producers to provide lower down payments for those lines of credit.

“Our partnership with them has really expanded in the last couple of years, when some of our more sophisticated younger borrowers utilized joint financing, where they’ll finance a portion—45%—and we’ll finance 50%,” Gilbert says.

Bankers in general would like to see FSA both increase its limit on guaranteed loans while also speeding up the approval process. Farmers in general face higher capital requirements to effectively compete today.

“It’s just so hard to enter this market because of the capital intensity and means that are required today if we want the next generation to stay in agriculture,” Gilbert says. “We need access to more capital through the FSA programs to help banks lend money to that next generation.”

Independent Community Bankers of America (ICBA) has proposed a USDA Express Loan Program that would require FSA to approve guaranteed loan applications within a couple of days in exchange for having a lower guarantee amount of 50 to 75% levels for loans up to \$1 million.

“It would be a nice tool for us to just be able to move things through a little quicker and get people what they need,” Gilbert says. “This world moves way quicker than it used to, so quick access to credit is very essential at this stage.”

Another big issue Congress and USDA should consider is allowing producers to refinance a bridge loan. This would help solve some of the slower approval times by FSA. A bank could provide a bridge loan on a farm if it knew FSA would refinance it for the farmer. USDA doesn’t allow that option.

“FSA won’t allow you to just refinance that original purchase with that person that bought the ground that the bank financed, and that really needs to be changed, because it’s not so much that we need the real-estate

loans to go quicker, but we need the flexibility to be able to do a bridge loan for 90 or 120 days, and then refinance it with FSA,” Gilbert says.

Refinancing a bridge loan or providing some type of FSA preapproval on a loan would go a long way toward helping beginning farmers, he adds.

“That is a huge thing for people trying to come back to the farm, because the FSA interest rate is much more favorable than traditional financing right now.”

### > LOWER INTEREST RATES FROM RURAL BANKS

The American Bankers Association (ABA) for years has pressed Congress to level the playing field with Farm Credit lenders by providing some tax relief on interest rates. The One Big Beautiful Bill Act included a provision that will exclude from a bank’s gross income 25% of interest on qualified agricultural real estate. ABA states that farmers will benefit by rural banks passing on that interest rate savings to them. The provision went into effect immediately when signed into law in July.

### > ALL QUIET ON DOGE FRONT

In early May, USDA granted authority to the Department of Government Efficiency (DOGE) to review and approve

FSA loans and guarantees over \$500,000, as well as all loans to entities such as limited liability companies (LLCs) or corporations. More than one-third of USDA’s farm loan dollars, about \$1.7 billion, would fall under the DOGE mandate. USDA stated the order was meant to fulfill a White House executive order on government efficiency.

“We recognize the potential impact that this effort may have on our customers, lending partners and FSA staff, and are committed to ensuring minimal disruption to service delivery,” Bill Beam, USDA’s FSA administrator, states in a note to USDA staff that went along with the memo.

USDA has not released any further details about DOGE’s role reviewing FSA loans.

### > USDA LOAN NUMBERS

In the grand scheme of farm loans, FSA remains a relatively small lender overall, accounting for \$5.39 billion through 24,555 total loans.

In comparison, the Farm Credit System provided \$186.8 billion in real-estate loans in 2024 and \$75.7 billion production or intermediate loans.

Banks also issued \$115.1 billion total agricultural loans in 2024, which included \$49.3 billion in operating loans to farmers. ///



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# Future of Farm Finance

*Ag Lenders weigh in on interest rates and rising financial risks on row-crop farms.*

**D**emand for farm loans is on the rise. Cattle producers look to expand amid record beef prices, while row-crop producers try to survive another season of compressed profit margins.

To understand how the agriculture lending industry is positioning itself for the challenges ahead, *Progressive Farmer* reached out to different kinds of lenders from across the country with questions about interest rates, portfolio health and the evolving needs of farm operations. Their responses reflect the challenges posed by a higher-interest-rate environment but also optimism about the resilience of today's agriculture producers.

Some of the answers have been edited for length or clarity. More detailed responses to these questions and others can be found throughout October on [DTNPF.com](https://www.dtnpf.com).

**Q** Where do you think interest rates will be in the next few years? Ideally, where would you like to see interest rates?

> **David White Sr.**, Commercial Relationship Manager, Commodities and Correspondent Banking, Intrust Bank, Wichita, Kansas

“The talking points coming from recent Federal Reserve meetings, as well as their ‘Dot Plot’ would indicate some modest reductions in interest rates—to the tune of 0.50%—over the next year. Their longer-run projections show about a 1.5% drop in the three-year time span, which would be a return to more historically normal rates. Of course, there are many unknowns, such as inflation, tariffs and general GDP [gross domestic product] fluctuations that could complicate and change that projection.

“A Fed Funds rate in the 3% range, which translates to a prime borrowing rate around 6%, seems to be a stable interest rate environment. At that rate level, banks can generate stable returns, and borrowers seem to be able to handle interest expenses more comfortably within their operating budgets.”

**Q** How much of your portfolio could become troubled loans if crop prices remain in this current range for another year?

> **Heather Malcolm**, Vice President of Ag Lending, Bank of the Rockies, Livingston, Montana



David White



Heather Malcolm

“The majority of my loan portfolio here in Montana is cow/calf producers. Currently, the cow/calf portion of the industry is seeing record high prices, and with these higher calf prices, we shouldn't see many troubled borrowers this year.”

> **Caleb Hopkins**, Loan Production Officer, Dakota Mac, Halbur, Iowa

“Operations that are only grain are really going to feel it this year compared to other operations that are more diversified, such as operations with livestock. Over time, more and more operations have become grain-focused due to the labor requirements of livestock. This increases the number of operations that are really going to have negative effects if crop prices remain in this current range.”

**Q** What differences do you see in your portfolios and their financial needs for the year ahead?

> **Chad Gent**, Senior Vice President of Retail Credit, Farm Credit Services of America, Frontier





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Caleb Hopkins



Chad Gent



Kevin Kuper

Farm Credit and AgCountry Farm Credit, based in Omaha, Nebraska

“Some of our grain customers have seen profits drastically reduced or eliminated over the last two years. This is a critical period for operations as they assess the level of impact the reduced margins make to their operation. Some operations can weather the storm with only minor adjustments because of their high liquidity and limited debt service demands. Others may need to make more significant adjustments to lower their cost of production, rein in nonfarm expenses or deleverage their operation to make it viable in a lower margin environment. In 2024 and 2025, we have expanded our deployment of financial counseling specialists across our lending regions to help customers explore options for change.”

**Q** How does this downcycle compare to 2013–2019?

► **Hopkins.** “The biggest differences are interest rates and inflation. In the last downturn, you had decreasing

interest rates with increasing or steady land values. So, you were able to refinance operations from maybe a 6% rate to 4% or less, and increase the overall cash-flow of those operations. Compared to now, when we are coming out of a time of historic inflation on farm assets along with interest rates increasing from all-time lows back to 7 to 8%. It’s really hard, if not impossible, to find a solution that improves the overall viability of the operation in that environment.”

► **Kevin Kuper,** Chief Credit Officer, Farm Credit Mid-America, serving Arkansas, Indiana, Kentucky, Missouri, Ohio and Tennessee

“This cycle is different because most producers came into it with stronger balance sheets, thanks to several years of historically high profits. Many have built up liquidity and working capital, and they’re using those reserves to navigate tighter margins now. A colleague of mine used to encourage farmers to think about their balance sheets like a football team’s defense: Earnings are the defensive line, liquidity is the linebackers and equity is the defensive backs. Farmers are relying heavily on those linebackers to keep them in the game during this cycle.”

**Q** What changes do you see farmers making to manage their finances?

► **White.** “We have seen some slowdown in capital expenditures such as equipment upgrades. Others are adjusting by managing inputs, such as less prepaying for seed, fertilizer and other inputs as interest rates are sometimes higher than the cash discounts they can receive from retailers. Another change I have seen is being more aggressive to sell grain rather than store it, as the interest cost of carrying that grain often exceeds the carry in the futures market to hold onto that grain.”

► **Malcolm.** “Most of the farmers are becoming better finance managers. They know their costs and know what income is needed to meet their costs, as well as any debt payments they have. They understand not only their cost of production but how that correlates with the rest of their budget. They are researching costs, i.e., whether a new piece of equipment is wanted or needed, or could it be repaired instead? They are finding different suppliers. They are utilizing various risk-management tools for contracting their commodities and also utilizing government programs where applicable.” ///